P 12/982

1982 Package X

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Informational Copies of Federal Tax Forms

New penalty under the Tax Equity and Fiscal Responsibility Act of 1982

See page 1 for an important message regarding the penalty for aiding in an understatement of tax liability

The following forms, instructions, and schedule have been added to Package X:

Form W–2c, Statement of Corrected Income and Tax Amounts
Form W–6, Individual Certificate of Exemption (from Withholding on Interest and Dividends)
Schedule W (Form 1040), Deduction for a Married Couple When Both Work
Form 1040EZ, Income Tax Return for Single Filers with No Dependents
Form 6765, Credit for Increasing Research Activities
Form 6781, Gains and Losses from Commodity Futures Contracts and Straddle Positions

The following forms, instructions, and schedule have been deleted from the package:

Form 1040–ES, Estimated Tax for Individuals
Schedule B (Form 3468), Computation of Business Energy Investment Credit
Form 4255, Recapture of Investment Credit
Form 4726, Maximum Tax on Personal Service Income
Form 4798, Capital Loss Carryover
Form 4874, Credit for Work Incentive (WIN) Program Expenses

The following forms, instructions, and schedules have been extensively revised:

Schedule A (Form 1040), Itemized Deductions
Schedule B (Form 1040), Interest and Dividend Income
Schedule C (Form 1040), Profit or (Loss) from Business or Profession
Schedule G (Form 1040), Income Averaging
Schedule SE (Form 1040), Computation of Social Security Self-Employment Tax
Form 1040A, U.S. Individual Income Tax Return
Form 1065, U.S. Partnership Return of Income
Form 2106, Employee Business Expenses
Form 3468, Computation of Investment Credit
Form 4136, Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil
Form 4562, Depreciation and Amortization
Form 5884, Jobs Credit (and WIN credit carryover)
Form 6251, Alternative Minimum Tax Computation

Department of The Treasury
Internal Revenue Service

T 22.2:

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New Penalty

The Tax Equity and Fiscal Responsibility Act of 1982 added section 6701 to the Internal Revenue Code, effective September 4, 1982. This section provides a $1,000 penalty for any person who aids in the preparation or presentation of a return or other document under the Internal Revenue laws which the person knows will be used in any material matter arising under the tax laws, and which the person knows will (if used) result in any understatement of the tax liability of another person. This section also covers certain actions by subordinates. If the return or other document relates to the tax liability of a corporation, the penalty amount is raised to $10,000. If both this penalty and the return preparer penalties under section 6694 apply in the same situation, the Internal Revenue Service will choose which to apply.

General Information

For obligations of preparers under the Tax Reform Act of 1976, and information on penalties, please get **Publication 1045,** Information and Order Blanks for Preparers of Federal Income Tax Returns.

If you did not receive a copy of Publication 1045 in the mail, you may get a copy by writing to your local District Director, Internal Revenue Service. Ask that your name be added to the **Tax Practitioner Mailing File.** Next year, you should receive, in addition to Publication 1045, periodic newsletters from your local District Director.

Publication 1045 contains the order blanks you will need to request bulk supplies of principal Federal income tax forms. It has instructions on how to order these forms, descriptions of some principal Federal tax forms, and other information of general interest to preparers of Federal tax returns.

The order blanks in the 1982 edition of Publication 1045 are the only forms which will be accepted for processing by our order fulfillment centers. Correspondence, prior years' order forms, or telephone requests for more than a total of 100 form units will be returned to the requester with a set of tax year 1982 order blanks for reordering.

Using Forms in Package X

The forms in this package are actual size. You may copy these facsimiles when you need only a few copies. We encourage you to do so and not order small quantities. Or you may use the facsimilies as camera copy for printing. Please note any special color paper specifications printed in the bottom margin of forms. You should remove these notations and the circled page numbers before reproducing. Exhibited forms that have no special notes in the bottom margin may be reproduced on white paper using black ink.

All official forms, including those not specifically mentioned in the general requirements printed below, must have a 4½ inch wide by ½ inch deep margin in the upper right hand corner, which is kept free from staples or from any marking that could interfere with the legibility of imprinted data.

If you decide to print reproductions, please refer to "General Requirements for Substitute Forms" printed below and to the restrictions for reproducing some of the forms.

Forms Exhibited in Part

To get as many different items as possible into Package X, we include only parts of some forms. Also, we show only one part of some multipart forms. We have identified these forms or instructions. You should not reproduce these forms.

Attachment to Form 1040

Attach schedules and forms other than Forms W-2, W-2G, and W-2P to the back of Form 1040 in "sequence number" order. The sequence number is the number immediately below the year designation in the upper right corner of each schedule and form. Attach payments and Forms W–2, W–2G, and W–2P to the front of Form 1040.

General Requirements for Substitute Forms

☐ Privately Designed and Printed,
☐ Computer-Prepared, and
☐ Computer-Generated

In many cases you must get IRS approval if you change IRS forms.

IRS is continuing its effort to identify and contact tax return preparers who are using substitute forms which impede returns processing.

The requirements for most substitute forms are explained in two revenue procedures issued each fall as Publications 1167 and 1168. Highlights of the requirements and permitted changes found in these publications are below.

You can get copies of these publications by completing and mailing the order blank on page 3.

Office of Management and Budget (OMB) Requirements for Substitute Forms

The Paperwork Reduction Act of 1980 requires OMB approval of IRS tax forms. The OMB approval number and any expiration date must appear in the upper right corner of the form, and the form (or its instructions) must state why the IRS is collecting the information, how it will be used, and whether or not the information is required to be furnished.

Substitute IRS forms must likewise contain the OMB approval number and any expiration date in the upper right corner of the form. You must also inform the users of your substitute forms of the IRS use and collection requirements stated in the instructions for the official IRS form. The OMB approval number and any expiration date may be obtained from official IRS printed forms, reproduction proofs, or from the IRS.

Things You Can Do to Printed Tax Forms

You can photocopy any Federal tax form or schedule and use it instead of the official one.

You can reproduce any current tax forms as cut sheets, snapsets, or marginally-punched pin-fed forms, as long as you use an official IRS version as the master copy. Official versions are supplied by IRS, such as those in the taxpayer's tax package, those in Package X, and reproduction proofs sold by IRS.

You can print and duplicate the substitute "worksheet-type" versions of Schedules A and B of Form 1040 (shown as exhibits in the revenue procedures) for use when you need a worksheet. IRS will accept these substitute schedules instead of the official versions. These schedules serve different purposes: One allows the form to contain state tax information which is blocked out before filing with IRS. The other allows the form to be used singly or as part of a snap-set.

Things You Cannot Do to Printed Tax Forms

Generally, **you cannot change** an IRS tax form or use your own version without prior IRS approval. However, in some cases you may use substitute Schedules K–1 without prior IRS approval, as explained in the instruc-

READEX FICHE

tions for Forms 1041, 1065, and 1120S.

You cannot change any of the graphics on Forms 1040 and 1040A (except those specified in the revenue procedure) without prior IRS approval.

You cannot use your own unapproved version of Schedule A (Form 1040), Itemized Deductions. IRS wants only one Schedule A—either yours or ours; yours needs prior approval from IRS.

You cannot use your own preprinted label on tax returns filed with IRS. The ONLY label permitted is the one provided the taxpayers in their tax packages. Otherwise, the taxpayer's name, address, and other identifying information must be entered on the return in the spaces provided.

Things You Can Do to Computer-Prepared Tax Forms

You can adjust the graphics on certain specified areas of printed Forms 1040 and 1040A (and other forms) to allow for computer-printed or word processor fill-in. Only the areas listed in the revenue procedure may be adjusted without specific approval.

You can fill in official IRS supplied forms using computer or word-processing equipment. All IRS forms are designed for a vertical spacing of six lines to the inch, with money amount columns wide enough to contain ten characters.

Things You Can Do to Computer-Generated Tax Forms

You can duplicate the approved, computer-generated formats of Schedules A, B, C, D, E, F, G, R, RP, and SE (shown as exhibits in the revenue procedure) and use them without prior approval. Generally, any change to these exhibits requires approval before use.

You can use certain other computer-generated forms without prior IRS approval. If you want to design such forms and if you agree to observe the requirements and conditions listed in the revenue procedure, be sure to follow carefully the directions in the revenue procedure.

Something You Cannot Do to a Tax Return

You cannot computer-generate a tax return that requires a signature and establishes tax liability (for example, Forms 1040, 1040A, and 1120). The return must be pre-printed by conventional means, such as photocopy, photo-offset, computer-graphics or photoengraving. It may be filled in using a computer or word processor, but the return itself must be a printed IRS version or an approved printed substitute.

If You Plan to Change or Modify Any Tax Form

IRS cannot approve your substitute form until the official form has been published. Please propose your substitute after you have examined the official form.

Approval is for the calendar year. Generally, you need separate approval for each new filing period even if the official form does not change.

You should know the IRS revenue procedure relating to the official form before you attempt to alter the form to meet your needs. Any alteration of forms must be within the limits acceptable to the Internal Revenue Service. It is possible that, from one filing period to another, a change in law or a change in internal need (processing, audit, compliance, etc.) may change the allowable limits for the alteration of the official form. The allowable limits are contained in the current revenue procedure which governs your proposed substitute form.

For the most frequently used tax forms, the quickest way to obtain an official form is to request reproduction proofs of these forms. These cost $1.00 per page and are ordered on Form 6747, Order for Reproduction Proofs. The order form may be obtained by written request to the Internal Revenue Service, Attention: Reproduction Proof Coordinator, PM:S:FM:P, Room 1528, 1111 Constitution Avenue, N.W., Washington, DC 20224.

Form **2333P**
Department of the Treasury
Internal Revenue Service

Order Blank for Revenue Procedures

1982

Please send the original copy to the address on the back.	Name	Employer identification number
	Street	Telephone number
	City, State and ZIP code	

Do you need copies of revenue procedures?

If so, check the appropriate box(es) and follow the instructions below.
DO NOT USE THIS ORDER BLANK TO ORDER ANY OTHER ITEMS
(See instructions on page 1, General Information, for ordering other items.)

Please send me a copy of:

☐ Pub. 1091, the revenue procedure on magnetic tape reporting for information returns (Forms 1087 and 1099).
☐ Pub. 1141, the revenue procedure on specifications for private printing of Forms W–2, W–2P, and W–3.
☐ Pub. 1149, the revenue procedure on magnetic tape reporting for Windfall Profit Tax (Form 6248).
☐ Pub. 1161, the revenue procedure on reprinted paper substitutes for Form 1042S.
☐ Pub. 1162, the revenue procedure on group exemption procedures.
☐ Pub. 1167, the revenue procedure on reproduction requirements and substitute printed tax return forms.
☐ Pub. 1168, the revenue procedure on substitute computer-prepared and computer-generated forms.
☐ Pub. 1179, the revenue procedure on paper substitute information returns (Forms 1087, 1099, and W–2G).

Mailing Instructions

Fold this page in half on the fold line on the back of this sheet, staple it, and mail.

Mailing Label

Please fill out the mailing labels below. They will be used to return your copy of the revenue procedures to you.

Please Fill In This Label

Internal Revenue Service

Postage and Fees Paid
Department of
the Treasury
554

Official
Business
Penalty for
Private Use, $300

RP

Name
Street
City, State and ZIP code

Internal Revenue Service

Postage and Fees Paid
Department of
the Treasury
554

Official
Business
Penalty for
Private Use, $300

RP

Name
Street
City, State and ZIP code

Staple Here

Fold on this line and staple at bottom of page.

Place stamp here.
Post Office
will not deliver
mail without
proper postage.

IRS Publications
P.O. Box 25866
Richmond, VA 23260

Note to Dept.—Open here

1 Control number	22222	For Official Use Only OMB No. 1545-0008

2 Employer's name, address, and ZIP code		3 Employer's identification number	4 Employer's State number
		5 Stat. employee ☐ Deceased ☐ Pension plan ☐ Legal rep. ☐ 942 emp. ☐ Sub-total ☐ Correction ☐ Void ☐	
		6 *	7 Advance EIC payment
8 Employee's social security number	9 Federal income tax withheld	10 Wages, tips, other compensation	11 FICA tax withheld
12 Employee's name (first, middle, last)		13 FICA wages	14 FICA tips
		16 Employer's use	
15 Employee's address and ZIP code		For Paperwork Reduction Act Notice, see back of Copy D.	

Form **W-2 Wage and Tax Statement 1982**

Copy A For Social Security Administration
* See Instructions for Forms W-2 and W-2P

Department of the Treasury
Internal Revenue Service

Do NOT CUT or Separate Forms on This Page

Notice to Employee:

You must file a tax return regardless of your income if any amount is shown in box 7, Advance EIC (earned income credit) payment.

File Copy B of this form with your 1982 Federal income tax return. Please keep Copy C for your records. You can use it to prove your right to social security benefits. If your name, social security number, or address is incorrect, please correct Copies B and C and tell your employer.

If you have already filed your tax return, or this W–2 corrects the one you included with your return, please amend your Form 1040 or 1040A by filing Form 1040X.

If you have nonwage income of more than $500 and will owe tax of $200 or more ($300 for 1983) you should file Form 1040–ES, Declaration of Estimated Tax for Individuals, and pay the tax in installments during the year. If you retired during 1982 or plan to retire soon, you may have to pay tax on your income either by filing Form 1040–ES or by having tax withheld from your pension or annuity. See **Publication 505,** Tax Withholding and Estimated Tax, for details.

Credit for Social Security (FICA) Tax.—If more than one employer paid you wages during 1982 and more than the maximum FICA employee tax, railroad retirement (RRTA) tax, or combined FICA and RRTA tax was withheld, you can claim the excess as a credit against your Federal income tax. (Please see your Federal income tax return instructions.) The FICA rate of 6.70%, under Public Law 95–216, includes 1.30% for hospital insurance benefits and 5.40% for retirement, survivors, and disability insurance.

Box 5. Pension plan.—If you were covered by a government employee plan, a qualified pension or profit-sharing retirement plan, or a tax sheltered annuity plan, the Pension plan box may be marked. Armed Forces reservists, National Guard members, or volunteer firefighters, who have a retirement savings arrangement, should see **Publication 590,** Tax Information on Individual Retirement Arrangements.

Instructions for Preparing Form W–2

Prepare Form W–2 for each of your employees to whom any of the following items applied during 1982:

(a) You withheld income tax or FICA (social security) tax.
(b) You would have withheld income tax if the employee had not claimed more than one withholding allowance.
(c) You paid $600 or more.
(d) You paid any amount for services, if you are in a trade or business. Include the cash value of any payment you made that was not in cash.

By January 31, 1983, give Copies B and C to each person who was your employee during 1982. For anyone who stopped working for you before the end of 1982, you may give copies any time after employment ends. If the employee asks for Form W–2, give him or her the completed copies within 30 days of the request or the final wage payment, whichever is later. Send Copy A to the Social Security Administration by February 28, 1983. (For more information, please see Forms 941, 942, W–3, or Circular E. Farmers, see Circular A.)

See separate **Instructions for Forms W–2 and W–2P** for more information on how to complete Form W–2.

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Department of the Treasury
Internal Revenue Service

1982

Instructions for Forms W-2 and W-2P

Note: Employers with employees who received third-party sick pay during the year must report on the employee's Form W-2 (a) in box 9, the income tax withheld from sick pay, if any; (b) in box 10, the amount the employee must include in income; (c) in box 11, the employee FICA tax withheld by the third-party payer; (d) in box 13, the amount of sick pay that is subject to employer FICA tax; and (e) in box 16, the amount not includible in income, if any, because the employee contributed to the sick pay plan.

General Instructions

A. Who Must File Forms W-2 and W-2P.—The statements to be filed with Form W-3 and the payers responsible for filing them are listed below.

(1) Form W-2, Wage and Tax Statement.—To be filed by employers. (See *Circulars A and E. Household employers,* see Form 942 instructions.)

(2) Form W-2P, Statement for Recipients of Periodic Annuities, Pensions, Retired Pay, or IRA Payments.—To be filed by employees' trusts or funds; Federal, State, or local government systems; life insurance companies; and other payers who make such payments.

An employer may make retirement plan contributions to an employees' trust which, in turn, makes payments to retirees and their beneficiaries. In this case, the trust and not the employer must file Forms W-2P. Show the trust's name, address, and employer identification number. (If, for example, a trust hires an agent or fiduciary to prepare and file the forms, or a bank serves as fiduciary for an employees' trust or retirement fund and withholds income tax when asked by annuitants, the agent or bank would show the trust's or fund's name, address, and employer identification number on the Forms W-2P it prepares.

B. When to File.—File Forms W-2 and W-2P by February 28, 1983.

C. Where to File.—See Form W-3.

D. Calendar Year Basis.—You must base entries on Forms W-2 and W-2P on a calendar year.

E. Taxpayer Identifying Numbers.—We use them to check the payments you report against the amounts shown on income tax returns.

Please be sure to show the right social security number on the Forms W-2 or W-2P, or on magnetic media.

Persons in a trade or business use an employer identification number (00-0000000). This includes employee trusts, retirement systems, and so forth. Individuals use a social security number (000-00-0000). When you list a number, please separate the nine digits properly to show the kind of number. See Form 3435, Payer's Request for Identifying Number, for more information.

Sole proprietors who are payers should show their employer identification number on the statements they prepare. But a payer who prepares a statement showing payment to a sole proprietor should give the proprietor's social security number in box 8 of Form W-2 or Form W-2P.

Please show the full name, address, and identifying number of the payer and the recipient in the boxes on the form. If you have made payments to more than one individual, show on the first line **ONLY** the name of the recipient whose number is on the statement. Show the names of the rest on the second line. If the recipient is **NOT** an individual and the name runs over the first line, you may continue on the second line and following lines. If you could not get numbers from all recipients, separate the statements without numbers from those with numbers and send them with separate Forms W-3. (See Instruction D of Form W-3.)

F. Statements to Income Recipients.—You may give statements to income recipients on government-printed official forms or on privately printed substitute forms.

A Revenue Procedure titled Specifications for the Private Printing of Forms W-2, W-2P, and W-3 explains the format that must be used on all substitute paper forms. You can get a copy from any Internal Revenue Service Center or district office.

(1) Form W-2 Recipients.—Generally, give statements to employees by January 31, 1983. If employment ends before December 31, 1982, you may give copies any time after employment ends. If the employee asks for Form W-2, give him or her the completed copies within 30 days of the request or the final wage payment, whichever is later.

(2) Form W-2P Recipients.—Generally, you should give statements to income recipients by January 31, 1983.

G. Corrected Statements.—Since a corrected statement will replace the one filed earlier, please fill in all required boxes on Forms W-2 or W-2P and show the total annual information. When you correct statements that were previously filed, put an X in the "Correction" box (box 5 of Form W-2; box 7 of Form W-2P). Send them to the Social Security Administration (SSA) with a separate Form W-3 with an X in box 4. (See Instruction E of Form W-3.) If a statement is lost or destroyed, give your employee (or recipient) a copy marked "REISSUED STATEMENT." **Do not send Copy A of the reissued statement to SSA.**

H. Forms W-2 and W-2P Formats.—Copy A of Forms W-2 and W-2P is printed with three forms to an unperforated page. Send the whole page even if one or two of the forms are blank or void. To permit checking the transmittal totals, please show subtotals on every 42nd form for the preceding 41 forms. Please type or print the entries, if possible, using black ink. Make all dollar entries without the dollar sign but with the decimal point (000.00).

How to Complete Form W-2

The instructions below are for all boxes on Form W-2. If an entry does not apply to you, leave it blank.

Box 1.—Control number.—This is for the employer to identify individual Forms W-2. You may use up to seven digits. *You do not have to use this box.* But if you do, please refer to the number if you write the SSA about this form.

Box 2.—Show the employer's name, address, and ZIP code. State and local government employers must show the State SSA number (a nine-digit number starting with 69) below the employer's address on forms for those employees covered under section 218 of the Social Security Act.

Box 3.—Employer's identification number.—Show the number assigned to you by IRS (00-0000000). Do not use a prior owner's number.

Box 4.—Employer's State number.—You do not need to use it on Copy A. This number is assigned by the State. Contact your State for further information on its use.

Box 5.—Check the boxes that apply.

Statutory employee.—Check this box for all statutory employees whose earnings are subject to FICA tax but not subject to Federal income tax withholding. (See Circular E for more information on statutory employees.)

Deceased.—Check this box if the employee is now deceased.

Pension plan.—You do not have to complete this box on Copy A. However, some States (such as California and the District of Columbia) may require employers to show whether an employee is a participant in the employer's pension plan. Please contact your State official for additional information.

Legal representative.—Check this box when the employee's name is the only name shown but is shown as a trust account (John Doe Trust), or another name is shown in addition to the employee's name and the other person or business is acting on behalf of the employee.

Representatives are identified by words such as custodian, parent, and attorney; sometimes the employee is identified as a minor, child, etc. Do **NOT** check this box if the address is simply in care of someone other than the employee (John Doe, c/o Jane Smith).

942 employee.—For household employers only. See Form 942 instructions for information on when to check this box.

Subtotal.—Employers submitting fewer than forty-one individual Forms W-2 need not give subtotals. Other employers should give subtotals. (See Instruction H.)

Put an X in the square on the Form W-2 that shows the subtotal dollar amounts for the preceding 41 Forms W-2. The subtotal amounts to be shown are boxes 7, 9, 10, 11, 13, and 14.

Please give a subtotal for statements that exceed multiples of 41. The last subtotal statement should always be the last completed Form W-2 on the page.

Example: An employer with Forms W-2 for 86 employees should show a subtotal on the 42nd statement, the 84th statement (showing the subtotal for statements 43 through 83), and the 89th statement (showing the subtotal for statements 85 through 88). Void statements are counted in order with good statements.

Correction.—Put an X in this square when this Form W-2 corrects a previously transmitted Form W-2. See Instruction G.

Void.—Put an X in this square when an error has been made. Forms W-2, if possible, should have no erasures, whiteouts, or strikeovers on Copy A. **(Be sure the amounts shown on void forms are NOT included in your subtotals.)**

Box 6.—Complete and label this box if (a) or (b) applies.

(a) You did not collect employee FICA tax on all of the employee's tips. Show the amount of tax that you could not collect because the employee did not have enough funds to deduct it from. This amount is not included in box 11.

(b) You provided your employee more than $50,000 of group-term life insurance. Show the cost of the coverage over $50,000. This is "other compensation" so include it in the box 10 total.

Box 7.—Advance EIC payment.—Show the total paid to the employee as advance earned income credit payments.

Box 8.—Employee's social security number.—Give the number shown on the employee's social security card. If the employee does not have a number, he or she should apply for one at any SSA office.

Note: *Please transmit Forms W–2 for employees without numbers with a separate Form W–3.*

Box 9.—Federal income tax withheld.

Box 10.—Wages, tips, and other compensation.—Show, before any payroll deductions, the total of: (1) wages paid, (2) non-cash payments, (3) tips reported, and (4) all other compensation. Other compensation is what you pay the employee but do not withhold Federal income tax on. If you prefer not to include it in the total, you may show it on a separate Form W–2.

Note: *Payments to statutory employees that are subject to FICA tax but not subject to Federal income tax withholding must be shown in box 10 as other compensation. (See Circular E for definition of a statutory employee.)*

Box 11.—Employee FICA tax withheld.—Show the total employee FICA tax (not your share) deducted and withheld or paid by you for the employee. (But if there was an adjustment in 1982 to correct the tax for a prior year, enter the amount withheld in 1982 increased by the adjustment for an overcollection or decreased by the adjustment for an undercollection.)

Example: Employee A earned $26,000 in 1981. You withheld $1,629 in employee FICA taxes. You should have withheld $1,729 ($26,000 × 6.65%). To correct this, you withheld extra tax in 1982 until you made up the $100. At the end of 1982 your books show $1,842 withheld ($1,742 ($26,000 × 6.70%) plus $100 to make up the 1981 error). To show the correct tax withheld for 1982, subtract the $100 from $1,842 and show $1,742 in box 11 of Form W–2. Please note: You must file Form 941c, Statement to Correct Information Previously Reported Under the Federal Insurance Contributions Act, with your Form 941, Employer's Quarterly Federal Tax Return, in the quarter you find the error and issue the employee a corrected Form W–2 for 1981.

Box 12.—Employee's name.—Please show the first name, middle initial or name, and then the last name as they are shown on the employee's social security card. If it shows a name different from the one you will use, have the employee get a corrected card from any SSA office. Use the name on the original card until you see the corrected one.

Box 13.—Total FICA wages.—Show the total wages paid (before payroll deductions) subject to employer FICA tax (but **not** including tips deemed to be wages or FICA tips.) Generally, noncash payments are considered wages. (See Circular E for more information.) Include any employee FICA tax and employee State unemployment compensation tax you paid for your employee rather than deducting it from wages (see Revenue Procedure 81–48 for details).

Box 14.—FICA tips.—Show the amount the employee reported even if you did not have enough employee funds to collect the FICA tax for the tips. When tips and wages subject to employee FICA taxes amount to $32,400, do **not** show any additional tips in this box. But show all tips reported in box 10 along with wages and other compensation.

Box 15.—Employee's address and ZIP code.—This box has been combined with box 12 (employee's name) on all copies except Copy A to allow employee's copies to be mailed in a window envelope or as a self-mailer.

Box 16.—Employer's use.—You may use this space for any other information that you want to give the employee. Examples are amounts contributed to a simplified employee pension (SEP) plan, union dues or health insurance premiums deducted, etc.

Boxes 17 through 22.—State or local income tax information.—You may use these (on the 6-part Form W–2) to report State or local income tax information. You do not have to use them. But you may want to show the amounts on Copy A if you use copies of this form for your State or local tax returns or as recipients' statements.

How to Complete Form W–2P

The instructions below are for all boxes on Form W–2P. If an entry does not apply to you, leave it blank. Use this form to report periodic retirement payments. Examples are pensions, retired or retainer pay, annuities under commercial, individually purchased contracts, and payments from individual retirement accounts or individual retirement annuities (IRAs). Retired pay subject to income tax withholding, such as payments to retired military persons and certain court officials, are reported on Form W–2P instead of on Form W–2.

Use Form W–2 to report payments from which you withheld FICA tax.

Do not file Form W–2P for the following cases: (a) You paid retirement benefits that are exempt from tax. Examples are social security, workmen's compensation, most railroad retirement, and Veterans Administration payments. (b) You made payments as a fiduciary, filed Form 1041, and gave each beneficiary a Schedule K–1 (Form 1041). (c) You made total distributions reported on Form 1099R.

Box 1.—Control number.—This is for the payer to identify individual Forms W–2P. You may use up to seven digits. *You do not have to use this box.* But if you do, please refer to the number if you write SSA about this form.

Box 2.—Payer's name, address, and ZIP code.—Show the payer's name, address, and ZIP code.

Box 3.—Payer's Federal identifying number.—Show the number assigned to you by the IRS (00–0000000).

Box 4.—Payer's State number.—You need not use it on Copy A. This number is assigned by the State. Contact your State for further information on its use.

Boxes 5 and 6.—State income tax withheld and name of State.—You may use these to report State and local tax information. (Some States now have the same voluntary tax withholding as under Federal law.) You may want to show the amounts on Copy A if you use copies of this form for your State returns or as recipients' statements.

Box 7.—Check the boxes that apply.

Taxable amount (TA) **not** *determined.*—Check this box if you are not able to figure the taxable amount of the annuity, pension, retirement pay, or IRA payment to report in box 10.

Deceased.—Check this box if the recipient is now deceased.

Legal representative.—Check this box when the recipient's name is the only name shown but it is shown as a trust account (i.e. John Doe Trust), or when another name is shown as well as the recipient's name and the other person or business is acting on behalf of the recipient.

Representatives are identified by words such as custodian, parents, and attorney; sometimes the recipient is identified as a minor, child, etc. Do **NOT** check this box if the address is simply in care of someone other than the recipient (such as John Doe c/o Jane Smith).

Subtotal.—Payers submitting fewer than 41 individual Forms W–2P need not give subtotals. Other payers should give subtotals. (See Instruction H.) Put an X in the square on the Form W–2P that shows the subtotal dollar amounts for the preceding 41 Forms W–2P (i.e., boxes 9, 10, and 11).

Example: A payer with Forms W–2P for 86 recipients should show a subtotal on the 42nd statement, the 84th statement, and the 89th statement. The last subtotal should be the last completed form on the page. Void statements are counted in order with good statements.

Correction.—Put an X in this square when this Form W–2P corrects a previously transmitted Form W–2P. See Instruction G.

Void.—Put an X in this square when an error has been made. Forms W–2P, if possible, should have no erasures, whiteouts, or strikeovers on Copy A. **(Be sure the amounts shown on void forms are NOT included in your subtotals.)**

Box 8.—Recipient's social security number.—Give the number shown on the recipient's social security card. If the person does not have a number, he or she should apply for one at any SSA office.

Note: *Please transmit Forms W–2P for recipients without numbers with a separate Form W–3.*

Box 9.—Gross annuity, pension, retired pay, or IRA payment.—Show total amount paid before income tax or other deductions were withheld. (Show the full amount even if some of it is excludible from tax such as disability income. Do not include amounts exempt from tax as workmen's compensation under Internal Revenue Code section 104). **Include current insurance premiums paid by the trustee or custodian.**

Box 10.—Taxable amount.—Show the amount the recipient should include in income. This often is the same as in box 9. Also, the amount in box 9 may include taxable earnings on an excess contribution while the excess contribution may be nontaxable. There may be some years, such as when the 3 year or other cost recovery rule for annuities applies, in which none of the payments are taxable. If you do not have the facts you need to figure the taxable amount, you may leave this box blank and check "TA not determined" in box 7. (This will often be the case when the section 101(b) death benefit exclusion applies to a surviving beneficiary's annuity that is taxed under section 72.) Please show the taxable amount if you can figure it. It will help the recipient report the correct amount.

Box 11.—Federal income tax withheld.

Box 12.—Recipient's name.—Please show the first name, middle initial or name, and then the last name as they are shown on the recipient's social security card. If it shows a name different from the one you will use for your records, have the person get a corrected card from any SSA office. Use the name shown on the original card until you see the corrected one.

Box 13.—You may use box 13 and the space below boxes 13 and 14 for any other information that you want to give the recipient.

Box 14.—IRA codes.—If box 9 is an IRA payment, enter 555. Identify the kind of payment by showing one of the following code numbers after 555: 1 for premature (other than disability or death); 2 for rollover; 3 for disability; 4 for death; 6 for other; 7 for normal; 8 for excess contributions plus earnings on such excess contributions; and 9 for transfer to an IRA for a spouse, incident to divorce. (For example, 5553 for disability.)

Box 15.—See Box 15, Form W–2.

Please do not staple

1 Year Being Corrected 19	**2 Employer's use**	**For Official Use Only**

3 Form: ☐ W-2 ☐ W-2AS ☐ W-2P ☐ W-2GU ☐ W-2VI

4 Statutory employee ☐ Deceased ☐ Legal Rep. ☐ 942 employee ☐

OMB No.
Expires

5 Employee's SSN	**6 Employer's SSA Number** 69-	**7 Employer's Federal EIN**	**8 Employer's State Number**

9 Employees Name, Address and ZIP Code

10 Employer's Name, Address and ZIP Code

Proof as of Nov. 1
(Subject to change)

Complete 11 and 12 only if information shown on original was incorrect

11 Employee's SSN (original)

12 Employee's name (as shown on original W-2)

Changes	**Item**	**(a) As Originally Reported**	**(b) Correct Information**	**(c) Increase (decrease)—(a) less (b)**
	13 Social security wages			
	14 Social security tips			
	15 Social security tax withheld			
	16 Wages, tips, other comp.			
	17 Federal income tax withheld			
	18 Allocated tips			
	19 *			
	20 Gross annuity, etc. (W-2P)			
	21 Taxable amount (W-2P)			
	22 State wages			
	23 State tax withheld			
	24 Local wages			
	25 Local tax withheld			

*See instructions. For Paperwork Reduction Act Notice, see back of Copy D

Copy A for Social Security Administration

Form **W-2c Statement of Corrected Income and Tax Amounts**

Department of the Treasury
Internal Revenue Service

Instructions for Preparing Form W–2c

Purpose of Form.—Form W–2c is used by an employer (or other payer, in the case of Form W–2P) to correct errors in previously filed Forms W–2, W–2P, W–2AS, W–2GU, or W–2VI. Use a separate Form W–3c, Transmittal of Corrected Income and Tax Statements, to transmit each type of form shown in item 3 above.

The W–2c may be used to correct wage and tax information for years 1978 and later. For years before 1978, you must use Form 941c, Statement to Correct Information Previously Reported Under FICA. Section 218 filers (certain State and local governmental employers) must use Form SSA–3964, State's Report of Adjustments, for years before 1982.

Where to File.—Copy A of Form W–2c should be filed with the Social Security Administration. Correct addresses are on the back of Copy A of Form W–3c. File the remaining copies of W–2c as noted on the bottom of each form.

How to Complete Form W–2c.—For descriptions of individual items, see the instructions for Form W–2 and W–2P. Complete items 10–12 as applicable. For items 13–25 (Changes) complete only those items that are being corrected. Otherwise, leave blank.

Form W–2c may be submitted alone (without a W–3c) in two situations:

(1) to correct only an employee's name and/or social security number. With this type of correction, no money amounts may change. Complete only items 1–12.

(2) to make a correction (or corrections) for only one employee.

On any line that shows a dollar change, and one of the amounts is zero, enter "zero" or "0.00"—do not leave blank.

Negative amounts in column (d) (decreases) must be bracketed.

Specific Instructions

Item 2.—Employer's use.—This is an optional item which employers may use to identify individual forms.

Item 6.—Employer's SSA number.—This is a number beginning with "69–" that is assigned to certain State or local governmental employers. Also add the indicator, coverage group and/or PRU number, if these have been assigned to you by SSA.

Item 8.—Employer's State number.—You are not required to complete this item. This number is assigned by the individual States. You may want to complete this item if you use copies of the form for your State returns.

Item 19.—Advance EIC payment or IRA code.—Use this line to correct either the advance earned income credit payment shown in box 7 of Form W–2, or the IRA code shown in box 14 of Form W–2P. Be sure to label the item as "Advance EIC payment" or "IRA code."

Items 22 through 25.—State or local data.—If your ONLY changes to the original W–2 are to State or local data, DO NOT send the W–2c to SSA or your State Social Security Administrator.

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue and Social Security laws of the United States. We need it to ensure that you are complying with these laws and so that we can figure and collect the correct amount of tax. You are required to give us this information.

Draft as of Nov. 1
(Subject to change)

1 Control number 33333
OMB No. 1545-0008

☐ Kind of Tax Statements Transmitted ▷
2 941/941E ☐ Military ☐ 943 ☐
CT-1 ☐ 942 ☐ Section 218 ☐
3 W-2 ☐ W-2P ☐
4 Original ☐ Corrected ☐
5 With TIN ☐ Without TIN ☐

6 State SSA number 69 –
7 Advance EIC payments
8 Number of statements attached
9 Federal income tax
10 Wages, tips, and other compensation
11 FICA tax withheld
12 Employer's State number
13 FICA wages
14 FICA tips
15 Employer's identification number —
16 Establishment number
17 Employer's name
18 Gross annuity, pension, retired pay, or IRA payment
20 Taxable amount
21 Income tax withheld by third-party payer

YOUR COPY

19 Employer's address and ZIP code

Form W-3 Transmittal of Income and Tax Statements 1982

Department of the Treasury
Internal Revenue Service

Highlights

So that IRS can reconcile the amounts of income tax and employee FICA tax withheld and reported on Form 941 by third-party payers of sick pay, but reported by the employer on the employee's Form W-2:

A. **Third-party payers** must file a separate Form W-3 with an attached Form W-2 showing the total income tax withheld on sick pay (box 9); the total sick pay paid (box 10); the employee FICA tax withheld (box 11); the words "Third-party sick pay" in place of the employee's name (box 12); and the total of all sick pay subject to employee FICA tax (box 13). On Form W-3, third-party payers should complete only boxes 2, 3, 4, 9, 10, 11, 13, 15, 17, and 19. Third-party payers should **not** make an entry in box 21 of Form W-3.

B. **Employers** must report on Form W-2 to each employee who received third-party sick pay the income tax withheld on sick pay (box 9); the taxable portion of the sick pay (box 10); the employee FICA tax withheld by the third-party payer (box 11); and the amount of the sick pay subject to FICA tax (box 13). If any portion of the payment is not includible in the employee's income because the employee paid part of the premiums, the excludable portion must be shown in box 16.

Employers can include these amounts in the Form W-2 they issue their employees showing wages, or they can give the employees a separate Form W-2 and state that the amounts are for third-party sick pay. In either case, the employer must show in box 21 of Form W-3 the total amount of income tax withheld by third-party payers even though the amounts are includible in box 9.

If you issue multiple Forms W-2 to show State or local tax data, do NOT report the same Federal tax data to SSA on more than 1 Copy A.

Payers filing privately printed Forms W-2 or W-2P must file Forms W-3 that are the same width as the Forms W-2 or W-2P.

Instructions

Forms W-2 and W-2P That You Cannot Deliver.—You will need to keep for 4 years any employee (recipient) copies of Forms W-2 and W-2P that you tried to deliver but could not.

A. Who Must File.—Employers and other payers must file Form W-3, Transmittal of Income and Tax Statements, to send Copy A of Forms W-2 and W-2P.

The transmitter or sender (including a service bureau, paying agent, or disbursing agent) may sign Form W-3 for the employer or payer only if the sender:

(a) Is authorized to sign by an agency agreement (either oral, written, or implied) that is valid under State law; and
(b) Is authorized by the payer (by either oral, written, or implied agreement) to ask for the taxpayer identifying numbers of payees who are reported on the forms; and
(c) Writes "For (name of payer)" next to the signature.

If an authorized sender signs for the payer, the payer is still responsible for filing, when due, a correct and complete Form W-3 and attachments, and is subject to any penalties that result from not complying with these requirements.

Be sure the payer's name and employer's identification number on Forms W-2, W-2P, and W-3 are the same as those used on the Form 941, 942, or 943 filed by or for the payer.

B. When to File.—**File Form W-3, with attached Copy A of Forms W-2 or W-2P, by February 28, 1983.**

C. Where to File.—

If your legal residence, principal place of business, office or agency is located in ▼	Use this address ▼
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Iowa, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming	Social Security Administration Salinas Data Operations Center Salinas, CA 93911
Alabama, Arkansas, Florida, Georgia, Illinois, Kansas, Louisiana, Mississippi, New Mexico, Oklahoma, South Carolina, Tennessee, Texas	Social Security Administration Albuquerque Data Operations Center Albuquerque, NM 87180
Connecticut, Delaware, District of Columbia, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia	Social Security Administration Wilkes-Barre Data Operations Center Wilkes-Barre, PA 18769
If you have no legal residence or principal place of business in any State	Social Security Administration Wilkes-Barre Data Operations Center Wilkes-Barre, PA 18769

D. Shipping and Mailing.—If you send more than one kind of form, please group forms of the same kind. Send them in separate groups. For example, if you pay both wages and annuities, file Forms W–2 with one Form W–3 and Forms W–2P with a second Form W–3. Also, please send forms lacking taxpayer identifying numbers (TIN's) with a separate Form W–3.

If you have a large number of forms, you may send them in separate packages. Show your name and employer identification number on each package. Number them in order (1 of 4, 2 of 4, etc.), and place Form W–3 in package one. Show the number of packages at the bottom of Form W–3 below the title. If you mail them, you must send them first class.

E. How to Complete Form W–3.—Since the form will be read by optical scanning machines, please type entries if possible. Send the whole first page with Copy A of Forms W–2 or W–2P. Please do not staple them to Form W–3. Make all dollar entries without the dollar sign but with the decimal point (000.00).

The instructions below are for all boxes on the form. If any entry does not apply to you, leave it blank. (Household employers, see the instructions on Form 942.)

Box 1—Control number.—This box is for numbering the whole transmittal. You may use up to 7 digits. *You do not have to use this box.* But if you do, please refer to the control number if you write SSA about this form.

Boxes 2 through 5—Kind of tax statements transmitted.—Put an X in the check boxes that apply to you. Check only one box in each grouping (that is, check one box for item 2 to show the type of payer; check one box in item 3 to show whether the forms sent are Forms W–2 or W–2P; check one box in item 4 to show whether the forms sent are original or corrected; and check one box in item 5 to show whether the forms sent are with TINs or without them). For example, household employers sending 1982 Forms W–2 showing employees' social security numbers would check the boxes labeled 942, W–2, Original, and With TIN. A regular employer (one that is not a military, agricultural, railroad retirement, household, or State or local government that has elected coverage under section 218 of the Social Security Act, employer) sending 1982 Forms W–2 correcting previously filed forms for employees with social security numbers, would check the boxes labeled: 941/941E, W–2, Corrected, and With TIN.

Box 2—Kind of payer.—Check only one box.

941/941E.—Check this box if you file Form 941 or 941E and none of the other five categories apply.

Military.—Check this box if you are a military employer sending Forms W–2 for members of the uniformed services.

943.—Check this box if you file Form 943 and are sending forms for agricultural employees. If you also have employees who are not agricultural employees, send each group's Forms W–2 with a separate W–3. You would send the non-agricultural employees' Forms W–2 with a Form W–3 that generally has a checkmark in the 941/941E box.

CT–1.—Check this box if you are a railroad employer sending Forms W–2 for employees covered under the Railroad Retirement Tax Act (RRTA). Do **NOT** show employee RRTA tax in boxes 11, 13, and 14. These boxes are ONLY for FICA (social security) information. If you also have employees who are subject to FICA taxes, send each group's Forms W–2 with a separate W–3. Send the FICA tax employees' Forms W–2 with a separate W–3 that has a checkmark in the 941/941E box.

942.—Check this box if you are a household employer sending Forms W–2 for household employees. If you also have employees who are not household employees, send each group's Forms W–2 with a separate Form W–3.

Section 218.—Check this box if you are a State or local government employer sending Forms W–2 for employees covered under section 218 of the Social Security Act. You must also complete box 6, State SSA number.

Box 3—Form W–2 or W–2P.—Check only one box showing the kind of forms you are sending. Send each kind with a separate Form W–3.

Box 4—Original or Corrected.—Check only one box. Send each kind with a separate W–3.

Box 5—With TIN or Without TIN.—Check only one box. Check the With TIN box when sending Forms W–2 or W–2P that have recipients' social security numbers. Check the Without TIN box when sending Forms W–2 or W–2P that do not have recipients' social security numbers.

Box 6—State SSA number.—If you checked the section 218 box in item 2, show the number assigned to you by SSA. This number always starts with 69, which is preprinted in this box.

Box 7—Advance EIC payments.—Enter the total amount of payments shown on the attached Forms W–2.

Box 8—Number of statements attached.—Show the number of individual Forms W–2 or W–2P attached to this Form W–3. Each page of Forms W–2 or W–2P has three statements.

Box 9—Federal income tax.—Show the total withheld Federal income tax reported on the attached Forms W–2 or W–2P.

Box 10—Wages, tips, and other compensation.—Show the total wages, tips, and other compensation reported on the attached Forms W–2.

Box 11—FICA tax withheld.—Show the total withheld FICA tax reported on the attached Forms W–2.

Box 12—Employer's State number.—You are not required to use this box. This number is assigned by individual States where your business is located. You may want to complete this box if you use copies of this form for your State returns.

Box 13—FICA wages.—Show the total FICA wages reported on the attached Forms W–2.

Box 14—FICA tips.—Show the total FICA tips reported on the attached Forms W–2.

Box 15—Employer's identification number.—Show the number assigned to you by IRS. This should be shown as 00–0000000 and should be the same as shown on your Form 941, 942, or 943. Do not use an earlier owner's number. If available, use the label sent to you with Publication 393 or 51 that shows your name, address, and employer identification number. Use of the label speeds processing of the form. Make any necessary corrections on the label.

Box 16—Establishment number.—This is for Establishment Reporting Plans. Please show the number you and SSA agreed to. You may file a separate Form W–3, with Forms W–2, for each establishment even if they all have the same employer identification number. Or you may use the optional method using a single Form W–3. For more information about using the Establishment Reporting Plan, contact your SSA office.

Box 17—Employer's name.—This entry should be the same as that shown on your Form 941, 942, or 943. If available, use the label sent to you with Publication 393 or 51.

Box 18—Gross annuity, pension, retired pay, or IRA payment.—Show the total gross annuity, pension, retired pay, or IRA payments shown on the attached Forms W–2P.

Box 19—Employer's address and ZIP code.—If available, use the label sent you with Publication 393 or 51. Make any necessary corrections on the label. Use of the label speeds processing.

Box 20—Taxable amount.—Show the taxable amount of annuities, pensions, retired pay, or IRA payments reported on the attached Forms W–2P.

Box 21—Income tax withheld by third-party payers.—Complete this box if you have employees who had income tax withheld on third-party payments of sick pay. Show the total income tax withheld by third-party payers on payments to all of your employees. Although this tax is included in the box 9 total, it must be separately shown here.

Form **W-4**
(Rev. January 1983)

Department of the Treasury—Internal Revenue Service

Employee's Withholding Allowance Certificate

OMB No. 1545-0010
Expires 8-31-85

1 Type or print your full name

2 Your social security number

Home address (number and street or rural route)

City or town, State, and ZIP code

3 Marital Status ☐ Single ☐ Married
☐ Married, but withhold at higher Single rate
Note: If married, but legally separated, or spouse is a nonresident alien, check the Single box.

4 Total number of allowances you are claiming (from line F of the worksheet on page 2) . . . .

5 Additional amount, if any, you want deducted from each pay . . . . $

6 I claim exemption from withholding because (see instructions and check boxes below that apply):
a ☐ Last year I did not owe any Federal income tax and had a right to a full refund of ALL income tax withheld, AND
b ☐ This year I do not expect to owe any Federal income tax and expect to have a right to a full refund of ALL income tax withheld. If both a and b apply, enter the year effective and "EXEMPT" here . . ▶ Year
c If you entered "EXEMPT" on line 6b, are you a full-time student? . . . . ☐ Yes ☐ No

Under the penalties of perjury, I certify that I am entitled to the number of withholding allowances claimed on this certificate, or if claiming exemption from withholding, that I am entitled to claim the exempt status.

Employee's signature ▶ Date ▶ , 19

7 Employer's name and address (Employer: Complete 7, 8, and 9 only if sending to IRS)

8 Office code

9 Employer identification number

------------------------------------ Detach along this line. Give the top part of this form to employer; keep the lower part for your records. ------------------------------------

Privacy Act and Paperwork Reduction Act Notice.—If you do not give your employer a certificate, you will be treated as a single person with no withholding allowances as required by IRC sections 3402(l) and 3401(e). We ask for this information to carry out the Internal Revenue laws of the United States. We may give the information to the Dept. of Justice for civil or criminal litigation and to the States and the District of Columbia for use in administering their tax laws.

Purpose.—The law requires that you complete Form W-4 so that your employer can withhold Federal income tax from your pay. Your Form W-4 remains in effect until you change it or, if you entered "EXEMPT" on line 6b above, until February 15 of next year. By correctly completing this form, you can fit the amount of tax withheld from your wages to your tax liability.

If you got a large refund last year, you may be having too much tax withheld. If so, you may want to increase the number of your allowances on line 4 by claiming any other allowances you are entitled to. The kinds of allowances, and how to figure them, are explained in detail below.

If you owed a large amount of tax last year, you may not be having enough tax withheld. If so, you can claim fewer allowances on line 4, or ask that an additional amount be withheld on line 5, or both.

If the number of withholding allowances you are entitled to claim decreases to less than you are now claiming, you must file a new W-4 with your employer within 10 days.

The instructions below explain how to fill in Form W-4. **Publication 505** contains more information on withholding. You can get it from most IRS offices.

For more information about who qualifies as your dependent, what deductions you can take, and what tax credits you qualify for, see the Form 1040 Instructions.

Line-By-Line Instructions

Fill in the identifying information in boxes 1 and 2. If you are married and want tax withheld at the regular rate for married persons, check "Married" in box 3. If you are married and want tax withheld at the higher Single rate (because both you and your spouse work, for example), check the box "Married, but withhold at higher Single rate" in box 3.

Line 4 of Form W-4

Total number of allowances.—Use the worksheet on page 2 to figure your allowances. Add the number of allowances for each category explained below. Enter the total on line 4.

If you are single and hold more than one job, you may not claim the same allowances with more than one employer at the same time. If you are married and both you and your spouse are employed, you may not both claim the same allowances with both of your employers at the same time. To have the highest amount of tax withheld, claim "0" allowances on line 4.

A. Personal allowances.—You can claim the following personal allowances:

1 for yourself, 1 if you are 65 or older, and 1 if you are blind.

If you are married and your spouse either does not work or is not claiming his or her allowances on a separate W-4, you may also claim the following allowances: 1 for your spouse, 1 if your spouse is 65 or older, and 1 if your spouse is blind.

B. Special withholding allowance.—Claim the special withholding allowance if you are single and have one job or you are married, have one job, and your spouse does not work. You may still claim this allowance so long as the total wages earned on other jobs by you or your spouse (or both) is 10% or less of the combined total wages. Use this special withholding allowance only to figure your withholding. Do not claim it when you file your return.

C. Allowances for dependents.—You may claim one allowance for each dependent you will be able to claim on your Federal income tax return.

Note: *If you are not claiming any deductions or credits, skip D and E, add lines A, B, and C, enter the total on line F and carry the total over to line 4 of W-4.*

Before you claim allowances under D and E, total your non-wage taxable income (interest, dividends, self-employment income, etc.) and subtract this amount from estimated deductions you would otherwise enter in D1. If your non-wage income is greater than the amount of estimated deductions, you cannot claim any allowances under D. Moreover, you should take one-third of the excess (non-wage income over estimated deductions) and add this to the appropriate "A" value in Table 1 if determining allowances under E.

D. Allowances for estimated deductions.—If you expect to itemize deductions, you can claim additional withholding allowances. See Schedule A (Form 1040) for deductions you can itemize.

You can also count deductible amounts you pay for (1) alimony (2) qualified retirement contributions including Keogh (H.R. 10) plans (3) moving expenses (4) employee business expenses (Part I of Form 2106) (5) the deduction for two-earner married couples, (6) net losses shown on Schedules C, D, E, and F (Form 1040), the last line of Part II of Form 4797, and the net operating loss carryover, (7) penalty on early withdrawal of savings, and (8) direct charitable contributions. **Note:** Check with your employer to see if any tax is being withheld on moving expenses or IRA contributions. Do not include these amounts if tax is not being withheld; otherwise, you may be underwithheld. For details see **Publication 505**.

The deduction allowed two-earner married couples is 10% of the lesser of $30,000 or the qualified earned income of the spouse with the lower income. Once you have determined these deductions, enter the total on line D1 of the worksheet on page 2 and figure the number of withholding allowances for them.

E. Allowances for estimated tax credits.—If you expect to take credits like those shown on lines 41 through 48 on the 1982 Form 1040 (child care, residential energy, etc.), use the table on the top of page 2 to figure the number of additional allowances you can claim. Include the earned income credit if you are not receiving advance payment of it, and any excess FICA tax withheld. Also, if you expect to income average, include the amount of the reduction in tax because of averaging when using the table.

Line 5 of Form W-4

Additional amount, if any, you want deducted from each pay.—If you are not having enough tax withheld from your pay, you may ask your employer to withhold more by filling in an additional amount on line 5. Often married couples, both of whom are working, and persons with two or more jobs need to have additional tax withheld. You may also need to have additional tax withheld because you have income other than wages, such as interest and dividends, capital gains, rents, alimony received, etc. Estimate the amount you will be underwithheld and divide that amount by the number of pay periods in the year. Enter the additional amount you want withheld each pay period on line 5.

Line 6 of Form W–4

Exemption from withholding.—You can claim exemption from withholding only if last year you did not owe any Federal income tax and had a right to a refund of all income tax withheld, and this year you do not expect to owe any Federal income tax and expect to have a right to a refund of all income tax withheld. If you qualify, check boxes 6a and b, write the year exempt status is effective and "EXEMPT" on line 6b, and answer Yes or No to the question on line 6c.

If you want to claim exemption from withholding next year, you must file a new W–4 with your employer on or before February 15 of next year. If you are not having Federal income tax withheld this year, but expect to have a tax liability next year, the law requires you to give your employer a new W–4 by December 1 of this year. If you are covered by FICA, your employer must withhold social security tax.

You may be fined $500 if you file, with no reasonable basis, a W–4 that results in less tax being withheld than is properly allowable. In addition, criminal penalties apply for willfully supplying false or fraudulent information or failing to supply information requiring an increase in withholding.

Your employer must send to IRS any W–4 claiming more than 14 withholding allowances or claiming exemption from withholding if the wages are expected to usually exceed $200 a week. The employer is to complete boxes 7, 8, and 9 only on copies of the W–4 sent to IRS.

Table 1—For Figuring Your Withholding Allowances For Estimated Tax Credits and Income Averaging (Line E)

Estimated Salaries and Wages from all Sources	Single Employees		Head of Household Employees		Married Employees (When Spouse not Employed)		Married Employees (When Both Spouses are Employed)	
	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)
Under $15,000	$ 100	$160	$ 50	$160	$ 80	$120	$ 0	$120
15,000–25,000	150	250	0	250	90	180	360	180
25,001–35,000	200	320	0	320	130	260	840	230
35,001–45,000	390	370	0	370	180	340	1,590	260
45,001–55,000	1,120	370	0	370	250	360	2,300	350
55,001–65,000	2,150	370	670	370	560	370	3,130	350
Over 65,000	3,320	370	1,640	370	1,110	370	4,000	370

Worksheet to Figure Your Withholding Allowances to be Entered on Line 4 of Form W–4

A Personal allowances . . . . ▶ A ______

B Special withholding allowance (not to exceed 1 allowance—see instructions on page 1) . . . . ▶ B ______

C Allowances for dependents . . . . ▶ C ______

If you are not claiming any deductions or credits, skip lines D and E.

D Allowances for estimated deductions:

1 Enter the total amount of your estimated itemized deductions, alimony payments, qualified retirement contributions including Keogh (H.R. 10) plans, deduction for two-earner married couples, business losses including net operating loss carryovers, moving expenses, employee business expenses, penalty on early withdrawal of savings, and direct charitable contributions for the year . . . . ▶ 1 $ ______

2 If you do not plan to itemize deductions, enter $500 on line D2. If you plan to itemize, find your total estimated salaries and wages amount in the left column of the table below. (Include salaries and wages of both spouses.) Read across to the right and enter the amount from the column that applies to you. Enter that amount on line D2 . . . ▶ 2 $ ______

Estimated salaries and wages from all sources:	Single and Head of Household Employees (only one job)	Married Employees (one spouse working and one job only)	Employees with more than one job or Married Employees with both spouses working[1]
Under $15,000	$2,800	$3,900	40% of estimated salaries and wages
15,000–35,000	2,800	3,900	23%
35,001–50,000	9% of estimated salaries and wages	3,900	20%
Over $50,000	11%	8% of estimated salaries and wages	18%

3 Subtract line D2 from line D1 (But not less than zero) . . . . ▶ 3 $ ______

4 Divide the amount on line D3 by $1,000 (increase any fraction to the next whole number). Enter here . . ▶ D ______

E Allowances for estimated tax credits and income averaging: use Table 1 above for figuring withholding allowances

1 Enter estimated tax credits, excess FICA tax withheld, and tax reduction from income averaging and tax withheld on interest and dividends . . . . $ ______

2 Enter the column (A) amount for your salary range and filing status (single, etc.) However, enter 0 if you claim 1 or more allowances on line D4. $ ______

3 Subtract line 2 from line 1 (If zero or less, do not complete lines 4 and 5) . . . . $ ______

4 Find the column (B) amount for your salary range and filing status . . . . $ ______

5 Divide line 3 by line 4. Increase any fraction to the next whole number. This is the maximum number of withholding allowances for estimated tax credits and income averaging. Enter here . . . . ▶ E ______

Example: A taxpayer who expects to file a Federal income tax return as a single person estimates annual wages of $12,000 and tax credits of $650. The $12,000 falls in the wage bracket of under $15,000. The value in column (A) is 100. Subtracting this from the estimated credits of 650 leaves 550. The value in column (B) is 160. Dividing 550 by 160 gives 3.4. Since any fraction is increased to the next whole number, show 4 on line E.

F **Total** (add lines A through E). Enter total here and on line 4 of Form W–4 . . . . ▶ F ______

---

[1] If you earn 10% or less of your total wages from other jobs or one spouse earns 10% or less of the couple's combined total wages, you can use the "Single and Head of Household Employees (only one job)" or "Married Employees (one spouse working and one job only)" table, whichever is appropriate.

Form W-5 (1983) Earned Income Credit Advance Payment Certificate

For "Privacy Act" notice see back of form.

Instructions

If you expect your **1983** adjusted gross income to be less than $10,000, you may be eligible for the earned income credit. Please read these instructions carefully. (**Note:** Your **1982** adjusted gross income was reported on Form 1040A, line 12, Form 1040EZ, line 3, or on Form 1040, line 32.)

What Does the Earned Income Credit Do?.—It can provide payments of up to $500 to taxpayers who have incomes under $10,000 and who have children living with them. If you are eligible for the credit, you can get it even if you owe no tax.

Who Can Take the Earned Income Credit?.—The checklist below will help you find out if you may be eligible for the credit. If you answer **"Yes"** to **each** question, you may be eligible for the credit. If you answer **"No"** to **any** question on the checklist, you are not eligible for the credit and should not fill in the certificate.

Advance Payment of the Earned Income Credit.—If you are eligible, you can choose to get the credit in advance with your pay instead of waiting until you file your tax return. You will get the credit on your annual tax return even if you do not complete this form.

To receive the credit in advance with your pay, fill in the bottom part of this form and give it to your employer. You may have only one certificate in effect with a current employer at one time. If you and your spouse are both employed, each of you should file a separate Form W-5.

If Your Status Changes.—If you file this form with your present employer and your status changes during 1983, you usually will have to fill out a new certificate.

If your status changes so that any answer in the earned income credit checklist becomes "No," or if you no longer want to receive advance payments, you must file a new certificate. Check the "No" box in question 1 on the new certificate to show that you are not qualified or no longer want to get advance payments.

If your status changes because your spouse files a certificate with his or her employer, you must file a new certificate with your employer showing in question 2 that your spouse has filed.

Additional Information.—If you receive advance payments, you must file Form 1040 or Form 1040A for 1983.

If you receive advance payment of the earned income credit and later find out that you are not eligible, you will have to pay it back when you file your annual tax return.

If you are married and both you and your spouse are working, you should both review the Forms W-4, Employee's Withholding Allowance Certificate, you have on file with your employers to make sure that enough tax is being withheld.

This Form W-5 certificate expires on December 31, 1983. If you expect to qualify for the earned income credit in 1984, you must file a new certificate for 1984.

Earned Income Credit Checklist

To find out if you may be eligible for the earned income credit, please answer the questions below for 1983.	Yes	No
A Do you expect the amount of your "Adjusted Gross Income" (including that of your spouse) to be less than $10,000? .		
B Do you expect at least one of your children to live with you in the U.S. for all of 1983 except when he or she is away at school or on vacation?* . . .		
C Check and answer either (1) or (2) below, whichever applies. (1) ☐ Married. Do you expect to file a joint return? . . . (2) ☐ Not married. Do you expect to pay at least half the cost of keeping up a household this year?** .		
D Do you expect all your earned income to be from sources inside the United States and not eligible for exclusion or exemption as foreign income or income from U.S. possessions? . . .		
E Do you expect to claim an exemption for a child who will live with you, OR do you expect to qualify as head of household because of an unmarried child who cannot be taken as an exemption? (If either answer is yes, check "Yes.") . . .		

*The term child includes: Your son or daughter, your stepchild, adopted child, or a child placed with you by an authorized placement agency for legal adoption (even if the child becomes your stepchild or adopted child, or is placed with you, during the year); OR any other child you care for as your own child for the whole year, unless the child's natural or adoptive parents provide more than half of the support for that year.

**If you receive payments under the Aid to Families with Dependent Children (AFDC) program and use them to pay part of the cost of keeping up this home, you may not count these amounts as furnished by you.

▼ *Give the lower part of this form to your employer; keep the top part for your records* ▼

Detach along this line

Form **W-5**
Department of the Treasury
Internal Revenue Service

Earned Income Credit Advance Payment Certificate

This Certificate Expires on December 31, 1983.

1983

Type or print your full name

Your social security number

Home address (number and street or rural route)

City or town, State, and ZIP code

Note: *If you file Form W-5 with an employer to receive advance payments of the earned income credit for 1983, you must file Form 1040 or Form 1040A for 1983. If married, you must file a joint return.*

	Yes	No
1 I expect to be eligible for the earned income credit for 1983, I have no other certificate in effect with any other current employer, and I choose to receive advance payment of the earned income credit . . .		
2 If you are not married, check "No," OR . . . If you are married, does your spouse have a certificate in effect for 1983 with any employer? . . .	▨	▨

Under penalties of perjury, I declare that the information I have furnished above, to the best of my knowledge, is true, correct, and complete.

Signature ▶

Date ▶

The following information is provided under the Privacy Act of 1974:

Internal Revenue Code section 3507 and its regulations say that you must fill out an earned income credit advance payment certificate and give it to your employer if you want the advance payment. Section 6109 and its regulations say that you must show your social security number on what you file.

The main purpose in asking for this certificate is to pay the advance earned income credit. This information may also be given to the Department of Justice and other Federal agencies, as provided by law.

If you don't fill out a signed earned income credit advance payment certificate, you will not receive an advance payment. But if you are eligible and don't complete Form W–5, you will still get the credit on your tax return.

Form **W-6**
(November 1982)
Department of the Treasury
Internal Revenue Service

Individual Certificate of Exemption
(from Withholding on Interest and Dividends)
Also Use to Revoke a Previously Filed Exemption

OMB No.
Expires

File this Form With the Payer of the Interest or Dividends

Proof as of Nov. 1
(Subject to change)

Please print or type

Name as shown on account (if joint account also give joint owner's name)	Your social security number
Address	
City, State, and ZIP code	

List account number(s) here ▶ ____________________

Part I To claim exemption from withholding on the accounts shown above check here . . . . ▶ ☐

I (we) qualify for exemption from withholding on interest and dividends for one or more of the following reasons:

- My tax liability for last year was $600 or less; or
- I am 65 or older, and my tax liability for last year was $1,500 or less; or
- My spouse and I filed a joint income tax return last year, and our tax liability was $1,000 or less; or
- I or my spouse or both are 65 or older, we filed a joint income tax return last year, and our tax liability was $2,500 or less; or
- I was (we were) not required to file an income tax return last year.

Part II To cancel the exemption from withholding on the accounts shown above, check here . . . . . . ▶ ☐

(Withholding will then begin on these accounts)

Please Sign Here

Under penalties of perjury, I certify that I am entitled to the exemption from withholding shown above.

▶ Your signature ____________________ Date ____________

Instructions for Individual Certificate of Exemption, Form W–6

Privacy Act and Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. If you do not file a certificate of exemption with the payer of any interest or dividends, they are required to withhold a portion of the payment as Federal income tax withheld.

Purpose.—The law requires that, beginning July 1, 1983, payers of interest, dividends, or patronage dividends must withhold 10% of each payment as Federal income tax withheld. (Patronage dividends are those paid by a cooperative.) You may claim this amount as taxes paid when you file your income tax return.

You may claim exemption from the withholding requirement if you meet one of these tests:

- Your tax liability for last year was $600 or less; or
- You are 65 or older, and your tax liability for last year was $1,500 or less; or
- You and your spouse filed a joint income tax return last year, and your tax liability was $1,000 or less; or
- You or your spouse or both of you are 65 or older, you filed a joint income tax return last year, and your tax liability was $2,500 or less; or
- You were not required to file an income tax return last year.

You must file this certificate of exemption or a similar statement with the payer of interest or dividends if you wish to be exempt from withholding.

When to Claim Exemption.—File this certificate as soon as you determine that you are able to claim the exemption. This will generally be when you file a tax return (Form 1040, 1040A, or 1040EZ) that meets the tax liability limitations, or when you determine that you are not required to file a return.

More Than One Payer.—If you receive interest or dividends from more than one payer, you must file a certificate with each payer.

More Than One Account With the Same Payer.—If you have more than one account with the same payer (for example, a savings account and a certificate of deposit at the same bank), check with the payer to see if a separate certificate must be filed for each account.

You Only Have to File Once.—This certificate remains in effect until you revoke it.

To Revoke an Exemption.—You **must** revoke all your exemption certificates within 10 days after you file a tax return that shows a tax liability above the limitations shown on this certificate. You **may wish** to revoke your certificate of exemption even if you are not required to; if, for example, you want tax withheld during the year so you won't have to pay when you file your return. In either case, file a new Form W–6 and check the revocation box in Part II, or check to see if the payer uses a different method to revoke an exemption. Withholding will begin when you cancel your exemption.

If you file a false certificate when you are not entitled to the exemption from withholding, or if you fraudently fail to revoke an exemption when you know you are no longer entitled to exemption, you may be subject to penalties of up to $500 or one year imprisonment, or both.

Specific Instructions

Fill in either Part I (if you wish to be exempt from withholding) or Part II (if you wish to cancel a previously filed exemption and begin withholding on those accounts), but **not both.** On joint accounts, only the person to whom the Form 1099 is issued needs to sign Form W–6.

Your "tax liability for last year" is the income tax shown on your return less any credits you were entitled to claim.

Proof as of Nov. 1
(Subject to change)

Form **1040** Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return **1982** (0)

For the year January 1–December 31, 1982, or other tax year beginning , 1982, ending , 19 . OMB No. 1545-0074

Use IRS label. Otherwise, please print or type.	Your first name and initial (if joint return, also give spouse's name and initial)	Last name	Your social security number
	Present home address (Number and street, including apartment number, or rural route)		Spouse's social security no.
	City, town or post office, State and ZIP code	Your occupation ▶ Spouse's occupation ▶	

Presidential Election Campaign
▶ Do you want $1 to go to this fund? . . . . ☐ Yes ☐ No
▶ If joint return, does your spouse want $1 to go to this fund? . . . ☐ Yes ☐ No
Note: Checking "Yes" will not increase your tax or reduce your refund.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Filing Status

Check only one box.

1 ☐ Single
2 ☐ Married filing joint return (even if only one had income)
3 ☐ Married filing separate return. Enter spouse's social security no. above and full name here ▶ ....
4 ☐ Head of household (with qualifying person). (See page 6 of Instructions.) If the qualifying person is your unmarried child but not your dependent, enter child's name ▶ ....
5 ☐ Qualifying widow(er) with dependent child (Year spouse died ▶ 19). (See page 6 of Instructions.)

Exemptions

Always check the box labeled Yourself. Check other boxes if they apply.

6a ☐ Yourself ☐ 65 or over ☐ Blind
b ☐ Spouse ☐ 65 or over ☐ Blind
} Enter number of boxes checked on 6a and b ▶ ☐

c First names of your dependent children who lived with you ▶ ....
} Enter number of children listed on 6c ▶ ☐

d Other dependents:

(1) Name	(2) Relationship	(3) Number of months lived in your home	(4) Did dependent have income of $1,000 or more?	(5) Did you provide more than one-half of dependent's support?

Enter number of other dependents ▶ ☐

e Total number of exemptions claimed . . . . Add numbers entered in boxes above ▶ ☐

Income

Please attach Copy B of your Forms W-2 here.

If you do not have a W-2, see page 5 of Instructions.

Please attach check or money order here.

7	Wages, salaries, tips, etc.	7	
8	Interest income *(attach Schedule B if over $400 or you have any All-Savers interest)*	8	
9a	Dividends *(attach Schedule B if over $400)* ...., 9b Exclusion	▨	
c	Subtract line 9b from line 9a	9c	
10	Refunds of State and local income taxes *(do not enter an amount unless you deducted those taxes in an earlier year—see page 9 of Instructions)*	10	
11	Alimony received	11	
12	Business income or (loss) *(attach Schedule C)* ▶	12	
13	Capital gain or (loss) *(attach Schedule D)*	13	
14	40% capital gain distributions not reported on line 13 (See page 9 of Instructions)	14	
15	Supplemental gains or (losses) *(attach Form 4797)*	15	
16	Fully taxable pensions, IRA distributions, and annuities not reported on line 17	16	
17a	Other pensions and annuities. Total received 17a	▨	
b	Taxable amount, if any, from worksheet on page 10 of Instructions	17b	
18	Rents, royalties, partnerships, estates, trusts, etc. *(attach Schedule E)*	18	
19	Farm income or (loss) *(attach Schedule F)* ▶	19	
20a	Unemployment compensation (insurance). Total received 20a	▨	
b	Taxable amount, if any, from worksheet on page 10 of Instructions	20b	
21	Other income (state nature and source—see page 10 of Instructions) ▶	21	
22	**Total income.** Add amounts in column for lines 7 through 21 ▶	22	

Adjustments to Income

(See Instructions on page 11)

23	Moving expense *(attach Form 3903 or 3903F)*	23	
24	Employee business expenses *(attach Form 2106)*	24	
25	Payments to an IRA. You **must** enter code from page 11 (........)	25	
26	Payments to a Keogh *(H.R. 10)* retirement plan	26	
27	Penalty on early withdrawal of savings	27	
28	Alimony paid	28	
29	Deduction for a married couple when both work *(attach Schedule W)*	29	
30	Disability income exclusion *(attach Form 2440)*	30	
31	**Total adjustments.** Add lines 23 through 30. ▶	31	

Adjusted Gross Income

32	**Adjusted gross income.** Subtract line 31 from line 22. *If this line is less than $10,000, see "Earned Income Credit" (line 62) on page 15 of Instructions. If you want IRS to figure your tax, see page 3 of Instructions* ▶	32	

Tax Computation

(See Instructions on page 12)

33 Amount from line 32 *(adjusted gross income)* 33

34a If you itemize, complete Schedule A (Form 1040) and enter the amount from Schedule A, line 30 . . . . 34a

Caution: If you have unearned income and can be claimed as a dependent on your parent's return, check here ▶ ☐ and see page 12 of the Instructions. Also see page 12 of the Instructions if:

- ● *You are married filing a separate return and your spouse itemizes deductions, OR*
- ● *You file Form 4563, OR* ● *You are a dual-status alien.*

34b If you do not itemize, complete the worksheet on page 13. Then enter the allowable part of your charitable contributions here 34b

35 Subtract line 34a or 34b, whichever applies, from line 33 35

36 Multiply $1,000 by the total number of exemptions claimed on Form 1040, line 6e . . 36

37 Taxable Income. Subtract line 36 from line 35 37

38 Tax. Enter tax here and check if from ☐ Tax Table, ☐ Tax Rate Schedule X, Y, or Z, or ☐ Schedule G 38

39 Additional Taxes. (See page 13 of Instructions.) Enter here and check if from ☐ Form 4970, ☐ Form 4972, ☐ Form 5544, or ☐ section 72 penalty taxes 39

40 **Total.** Add lines 38 and 39 . . . . ▶ 40

Credits

(See Instructions on page 13)

41 Credit for the elderly *(attach Schedules R&RP)* 41

42 Foreign tax credit *(attach Form 1116)* 42

43 Investment credit *(attach Form 3468)* 43

44 Partial credit for political contributions 44

45 Credit for child and dependent care expenses (*attach Form 2441*). 45

46 Jobs credit *(attach Form 5884)* 46

47 Residential energy credit *(attach Form 5695)* 47

48 Other credits—see page 14 ▶.................... 48

49 **Total credits.** Add lines 41 through 48 49

50 **Balance.** Subtract line 49 from line 40 and enter difference (but not less than zero) . ▶ 50

Other Taxes

(Including Advance EIC Payments)

51 Self-employment tax *(attach Schedule SE)* 51

52 Minimum tax *(attach Form 4625)* 52

53 Alternative minimum tax *(attach Form 6251)* 53

54 Tax from recapture of investment credit *(attach Form 4255)* 54

55 Social security (FICA) tax on tip income not reported to employer *(attach Form 4137)* . 55

56 Uncollected employee FICA and RRTA tax on tips *(from Form W–2)* 56

57 Tax on an IRA *(attach Form 5329)* 57

58 Advance earned income credit (EIC) payments received *(from Form W–2)* 58

06

59 **Total tax.** Add lines 50 through 58 . . . . ■ 59

Payments

Attach Forms W–2, W–2G, and W–2P to front.

60 Total Federal income tax withheld 60

61 1982 estimated tax payments and amount applied from 1981 return . 61

62 Earned income credit. If line 33 is under $10,000, see page 15 of Instructions 62

63 Amount paid with Form 4868 63

64 Excess FICA and RRTA tax withheld (two or more employers) . 64

65 Credit for Federal tax on special fuels and oils *(attach Form 4136)* 65

66 Regulated Investment Company credit *(attach Form 2439)* 66

67 **Total.** Add lines 60 through 66. . . . . ▶ 67

Refund or Amount You Owe

68 If line 67 is larger than line 59, enter amount **OVERPAID** . . . . ▶ 68

69 Amount of line 68 to be **REFUNDED TO YOU** . . . . ▶ 69

70 Amount of line 68 to be applied to your 1983 estimated tax . . . ▶ 70

71 If line 59 is larger than line 67, enter **AMOUNT YOU OWE.** Attach check or money order for full amount payable to Internal Revenue Service. Write your social security number and "1982 Form 1040" on it. ▶ 71

(Check ▶ ☐ if Form 2210 (2210F) is attached. See page 16 of Instructions.) ▶ $

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Your signature | Date | ▶ Spouse's signature (if filing jointly, BOTH must sign)

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ▶ ☐	Preparer's social security no.
Firm's name (or yours, if self-employed) and address ▶		E.I. No. ▶	
		ZIP code ▶	

1982 Instructions for preparing Form 1040

Department of the Treasury / Internal Revenue Service

and instructions for Schedules A, B, C, D, E, F, and SE

(Tax Table—pages 34–39)

From the Commissioner

Here is the information you need to prepare Form 1040 and related schedules. You may, however, be able to file the shorter Form 1040A instead. Or, if you are single and have only wages, salaries, and tips, and not more than $400 of interest income, you may be able to use the new Form 1040EZ. Check "Which Form to File" on page 3 of the instructions to see which form you should use this year.

There have been a number of changes because of recent tax legislation. Major changes are explained on page 2 under "Important Tax Law Changes."

Be sure to report your taxable income from all sources. In fairness to the vast majority of taxpayers who report all their income, we make every effort to identify others who underreport.

Quite often we receive inquiries about how people may make voluntary contributions to reduce the public debt. If you should wish to contribute, just enclose in your tax return envelope a **separate** check made payable to "Bureau of the Public Debt." Subject to the limitations on charitable contributions, you can deduct this contribution on next year's tax return. But please let me remind you to keep your contribution to reduce the public debt **separate** from any amount payable on your tax return. Tax remittances should be made payable to "Internal Revenue Service."

After completing your return, check to make sure it is correct, sign it, and mail it early. If you owe tax, please include payment of the full amount with your return. Be sure to keep a copy for your records. If you have suggestions for improving the forms or instructions, please write and let us know.

Thank you for your cooperation.

Roscoe L Egger, Jr

Roscoe L. Egger, Jr.
Commissioner of Internal Revenue

Important Tax Law Changes

Deduction for a Married Couple When Both Work

If you are married, both of you have earned income, and you file a joint return for 1982, generally you can deduct 5% of the qualified earned income of the lesser-earning spouse. See the instructions for line 29 on page 12 for details and limitations. Attach Schedule W (Form 1040) to claim this deduction.

New Form 1040EZ

If you are single, your income is only from wages, salaries, and tips, and you do not have more than $400 of interest income, you may be able to use the new **Form 1040EZ.** Get Form 1040EZ to see if you qualify. (You will need the Tax Table in the instructions for either Form 1040 or Form 1040A to figure your tax.)

Tax Rate Reduced

The rate of tax for all brackets has been reduced for 1982. However, no additional computation is needed because the reduction has already been built into the Tax Table and the Tax Rate Schedules for you.

New Rules for Individual Retirement Arrangements (IRAs)

Beginning in 1982, you can put up to $2,000 (but not more than your earned income) in an IRA even if you are covered by your employer's pension plan. See the instructions for line 25 on page 11.

New Deduction for Charitable Contributions

Generally, in 1982 you can deduct 25% of your charitable contributions up to a maximum of $25 ($12.50 if married filing separately) even if you do not itemize your deductions. See the instructions for line 34b on page 13 for more details.

Income Tax Withholding on Pensions and Annuities

Generally, beginning in 1983, income tax will be automatically withheld from your pension or annuity payments as if they were wages. However, you can choose not to have taxes withheld. See **Form W–4P** for details.

Child and Dependent Care Credit Increased

The maximum credit for 1982 can be as much as $720 for one qualifying individual and $1,440 for two or more. These amounts decrease as your adjusted gross income goes above $10,000. Please see **Form 2441** for more information.

New Exclusion of Certain Reinvested Dividends from Public Utility Companies

Generally, you can now exclude up to $750 ($1,500 on a joint return) of the dividends you received under the qualified reinvestment plans of public utilities. For more details, see the instructions on page 21.

Income Tax Withholding on Interest and Dividends

Generally, interest and dividends paid after June 30, 1983, will be subject to income tax withholding of 10%. However, certain taxpayers can file a certificate to be exempt from this withholding. See **Form W–6** for details on who qualifies for exemption.

Important Reminders

Voluntary Contributions to Reduce the Public Debt

You can make a voluntary contribution to reduce the public debt. If you wish to do so, enclose a **separate** check with your income tax return and make it payable to "Bureau of the Public Debt". Please do not add it to any tax you may owe. If you owe tax, include a **separate** check for that amount payable to "Internal Revenue Service".

Estimated Tax Payments-Retirees and Others with Income Not Subject to Withholding

If you are retired or have income not subject to withholding (such as capital gains), you may have to make estimated tax payments. If you do not pay enough estimated tax or have enough tax withheld, you may be charged a penalty. For more details, see **Publication 505**, Tax Withholding and Estimated Tax.

Do You Want More or Less Income Tax Withheld in 1983?

If the refund you receive is large, you may want to decrease your withholding for 1983. If you are a working married couple, or had two or more jobs, or had income not subject to withholding, you may need to have more tax withheld to avoid owing IRS a large amount. See **Income Tax Withholding for 1983** on page 17 for more details.

Exclusion for Qualified Interest from All-Savers Certificates

You are entitled to a lifetime exclusion of up to $1,000 ($2,000 if married filing a joint return) of qualifying interest from All-Savers Certificates. Claim this exclusion on Schedule B (Form 1040). Please see the instructions on page 21 for more details.

Could You Pay Less By Income Averaging?

If there has been a large increase in your income this year, you may be able to pay less tax by using the income averaging method to figure your tax. However, generally you must have provided at least one-half of your own support each year from 1978–1981. Please get Schedule G (Form 1040) to see if you qualify.

Divorced Persons—Property Settlement

If you transfer assets to your spouse as part of a property settlement because of divorce, you may have a taxable gain. If you transfer business or investment property, you may have a taxable gain or a deductible loss. Please get **Publication 504,** Tax Information for Divorced or Separated Individuals, for details.

Form 1040 General Instructions

Who Must File

Your income and your filing status generally determine whether or not you must file a tax return. See page 8 of these instructions to find out which income you should include.

You must file a return for 1982, even if you owe no tax:	And your income was at least:
If you were single (this also means legally separated, divorced, or married with a dependent child and living apart from your spouse for all of 1982) and:	
Under 65	**$3,300**
65 or over	**4,300**
If you were married filing a joint return and were living with your spouse at the end of 1982 (or on the date your spouse died), and:	
Both were under 65	**5,400**
One was 65 or over	**6,400**
Both were 65 or over	**7,400**
If you were married filing a separate return or married but were not living with your spouse at the end of 1982	1,000
If you could be claimed as a dependent on your parents' return, and had taxable dividends, interest, or other unearned income of $1,000 or more	1,000
If you were a qualifying widow(er) with a dependent child and:	
Under 65	**4,400**
65 or over	**5,400**
If you could exclude income from sources within U.S. possessions	1,000
If you were self-employed and your net earnings from this work were at least $400	
If you received any advance earned income credit (EIC) payments from your employer(s) during 1982	

Even if your income was less than the amounts shown above, you must file a return if you owe any taxes, such as:

- FICA (Social Security) on tips you did not report to your employer.
- Minimum Tax.
- Tax on an IRA (Individual Retirement Arrangement).
- Tax from recapture of investment credit.

These rules apply to all U.S. citizens and resident aliens, including those under 21 years of age. They also apply to those nonresident aliens and resident aliens who are married to citizens or residents of the United States at the end of 1982 and who file a joint return as discussed on page 6, under *Special Rule for Aliens.*

Note: *Different rules apply if you were a nonresident alien at any time during 1982 (unless you file a joint return as mentioned above). You may have to file* **Form 1040NR,** *U.S. Nonresident Alien Income Tax Return. Also get* **Publication 519,** *U.S. Tax Guide for Aliens.*

Who Should File

Even if you do not have to file, you should file to get a refund if income tax was withheld from your pay. Also file if you can take the earned income credit. If you file for either of these reasons only, you may be able to use Form 1040A.

Which Form to File

You MAY Be Able to Use—

Form 1040EZ if:

- You were single and claim only your personal exemption,
- You had **only** wages, salaries, and tips, and not more than $400 of interest income, and
- Your taxable income is less than $50,000.

Form 1040A if:

- You had **only** wages, salaries, tips, unemployment compensation, interest, or dividends.

AND

- Your taxable income is less than $50,000.

Since Forms 1040A and 1040EZ are easier to complete than Form 1040, you should use one of them unless Form 1040 lets you pay less tax.

However, even if you meet the above tests, you may still have to file Form 1040.

You MUST Use Form 1040 if:

- You itemize deductions.
- Your spouse files a separate return and itemizes deductions. Exception: You can still use Form 1040A if you have a dependent child and can meet the tests on page 6 under Married Persons who Live Apart (and Abandoned Spouses).
- You can be claimed as a dependent on your parents' return AND had interest, dividends, or other unearned income of $1,000 or more.
- You are a qualifying widow(er) with a dependent child.
- You were a nonresident alien during any part of 1982 and do not file a joint return (or **Form 1040NR**).
- You were married to a nonresident alien at the end of 1982 who had U.S. source income and you do not file a joint return. Exception: You can still use Form 1040A if you meet the tests on page 6 under Married Persons Who Live Apart (and Abandoned Spouses).
- You receive any non-taxable dividends, or you elect to exclude dividends received under a qualified public utility dividend reinvestment plan.
- You take any of the **Adjustments to Income** shown on Form 1040, lines 23–28, 30, and 31.
- You file any of these forms:

Form 1040–ES, Declaration of Estimated Tax for Individuals, for 1982 (or if you want to apply any part of your 1982 overpayment to estimated tax for 1983).

Schedule G, Income Averaging.

Form 2210, Underpayment of Estimated Tax by Individuals.

Form 2555, Foreign Earned Income.

Form 4563, Exclusion of Income from Sources in United States Possessions.

- You owe any of the taxes on Form 1040, line 39 or lines 51 through 57.
- You claim any of the credits on Form 1040, lines 41–43 and 45–48.
- You claim any of the payments on Form 1040, lines 63, 65, 66, or 67.
- You are required to fill in Part III of Schedule B for Foreign Accounts and Foreign Trusts (see page 21 of instructions).

When to File

You should file as soon as you can after January 1, but not later than April 15, 1983. If you file late, you may have to pay penalties and interest. Please see the instructions for **Penalties and Interest** on page 17.

If you know that you cannot meet the April 15 deadline, you should ask for an extension on **Form 4868,** Application for Automatic Extension of Time to File U.S. Individual Income Tax Return.

If you are living or traveling outside the country on April 15, you can get an automatic two-month extension of time to file. Just attach a statement to your return explaining the details.

IRS Will Figure Your Tax and Some of Your Credits

If you want us to, we will figure your tax for you. If you paid too much, we will send you a refund. If you did not pay enough, we will bill you for the balance. You will not be charged interest or the penalty for late payment if the bill for tax due is paid within 30 days of the notice date, or by the due date for your return, whichever is later.

We can figure your tax if you meet **all** of the conditions below:

- All of your income for 1982 was from one or more of these:

a. Salaries, Wages, and Tips.
b. Interest.
c. Dividends.
d. Pensions or Annuities.

- You do not itemize deductions.
- You do not file **Schedule G,** Income Averaging.
- You do not file **Form 2555,** Foreign Earned Income.
- Your adjusted gross income (line 32) is not more than $50,000.

- You (and your spouse if you are filing a joint return) sign and date your return and mail it by April 15, 1983.
- You do not want any of your refund applied to next year's tax.
- You give us enough information so that we can figure the tax. Please read the following instructions:

a. Fill in the parts of your return through line 37 that apply to you. The Line-By-Line Instructions which start on page 5 explain how to fill in your return.

b. If you are filing a joint return, use the space under the words "Adjustments to Income" on the front of your return to show your taxable income and your spouse's taxable income separately.

c. Read lines 41 through 67. Fill in the lines that apply to you, but do not fill in the Total lines. See the instruction below if you want us to figure your Credit for the Elderly or Earned Income Credit.

d. Fill in any forms or schedules asked for on the lines you completed, and attach them to the return when you file it.

We will figure some of your credits too

Fill in your return through line 37 as explained above. Follow the instructions below and sign, date, and mail it before the due date. We will then figure these credits if you qualify:

Credit for the Elderly. Follow the instructions below. Be sure to attach the schedule to your return. Write "CFE" on Form 1040, line 41.

Schedule R.—Check the box for your filing status and age, and fill in line 2(a).

Schedule RP.—Enter the name of the public retirement system. Also check the box for your filing status and age, and fill in lines 2 and 5.

Earned Income Credit. On line 62 of your return write "EIC."

Other Information

Death of Taxpayer

Did the taxpayer die before filing a return for 1982?—If so, the taxpayer's spouse or personal representative must file and sign a return for the person who died if the deceased was required to file a return. A personal representative can be an executor, administrator, or anyone who is in charge of the taxpayer's property.

If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund.

If your spouse died in 1982 and you did not remarry in 1982, you can file a joint return. You can also file a joint return if your spouse died in 1983 before filing a 1982 return.

A joint return should show your spouse's 1982 income before death and your income for all of 1982. Write "deceased" and show the date of death in the name and address space of Form 1040. Also write "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign.

If you are claiming a refund as a surviving spouse filing a joint return with the decedent and you follow the above instructions, no other form is needed to have the refund issued to you. However, all other filers requesting a refund due a decedent must file **Form 1310,** Statement of Person Claiming Refund Due a Deceased Taxpayer, to claim the refund.

If you want more details, please get **Publication 559,** Tax Information for Survivors, Executors, and Administrators.

U.S. Citizens Living Abroad

Generally, foreign source income must be reported on your return. Please get **Publication 54,** Tax Guide for U.S. Citizens Abroad, for more information.

Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE)

Free help is available in most communities to lower income, elderly, handicapped, and non-English speaking individuals in preparing Form 1040EZ, Form 1040A, and the basic Form 1040. Call the toll-free telephone number for your area for the location of the volunteer assistance site near you.

Unresolved Tax Problems

IRS has a Problem Resolution Program for taxpayers who have been unable to resolve their problems with IRS. If you have a tax problem you have been unable to resolve through normal channels, write to your local IRS District Director or call your local IRS office and ask for Problem Resolution assistance.

The Problem Resolution Office will take responsibility for your problem and insure that it receives proper attention. Although this office cannot change the tax law or technical decisions, it can frequently clear up misunderstandings that resulted from previous contacts.

Where to File

Please use the addressed envelope that came with your return. If you do not have an addressed envelope, or if you moved during the year, mail your return to the Internal Revenue Service Center for the place where you live. No street address is needed.

Alabama—Atlanta, GA 31101
Alaska—Ogden, UT 84201
Arizona—Ogden, UT 84201
Arkansas—Austin, TX 73301
California—Fresno, CA 93888
Colorado—Ogden, UT 84201
Connecticut—Andover, MA 05501
Delaware—Philadelphia, PA 19255
District of Columbia—Philadelphia, PA 19255
Florida—Atlanta, GA 31101
Georgia—Atlanta, GA 31101
Hawaii—Fresno, CA 93888
Idaho—Ogden, UT 84201
Illinois—Kansas City, MO 64999
Indiana—Memphis, TN 37501
Iowa—Kansas City, MO 64999
Kansas—Austin, TX 73301
Kentucky—Memphis, TN 37501
Louisiana—Austin, TX 73301
Maine—Andover, MA 05501
Maryland—Philadelphia, PA 19255
Massachusetts—Andover, MA 05501
Michigan—Cincinnati, OH 45999
Minnesota—Ogden, UT 84201
Mississippi—Atlanta, GA 31101
Missouri—Kansas City, MO 64999
Montana—Ogden, UT 84201
Nebraska—Ogden, UT 84201
Nevada—Ogden, UT 84201
New Hampshire—Andover, MA 05501
New Jersey—Holtsville, NY 00501
New Mexico—Austin, TX 73301
New York—*New York City and Counties of Nassau, Rockland, Suffolk and Westchester*—Holtsville, NY 00501
All Other Counties—Andover, MA 05501
North Carolina—Memphis, TN 37501
North Dakota—Ogden, UT 84201
Ohio—Cincinnati, OH 45999
Oklahoma—Austin, TX 73301
Oregon—Ogden, UT 84201
Pennsylvania—Philadelphia, PA 19255
Rhode Island—Andover, MA 05501
South Carolina—Atlanta, GA 31101
South Dakota—Ogden, UT 84201
Tennessee—Memphis, TN 37501
Texas—Austin, TX 73301
Utah—Ogden, UT 84201
Vermont—Andover, MA 05501
Virginia—Memphis, TN 37501
Washington—Ogden, UT 84201
West Virginia—Memphis, TN 37501
Wisconsin—Kansas City, MO 64999
Wyoming—Ogden, UT 84201
American Samoa—Philadelphia, PA 19255
Guam—Commissioner of Revenue and Taxation, Agana, GU 96910
Puerto Rico *(or if excluding income under section 933)*—Philadelphia, PA 19255
Virgin Islands: Non-permanent residents—Philadelphia, PA 19255
Virgin Islands: Permanent residents—Department of Finance, Tax Division, Charlotte Amalie, St. Thomas, VI 00801
A.P.O. or F.P.O. *address of:*
Miami—Atlanta, GA 31101
New York—Holtsville, NY 00501
San Francisco—Fresno, CA 93888
Seattle—Ogden, UT 84201
Foreign country: *U.S. citizens and those excluding income under section 911 or 931, or claiming the housing deduction under section 911*—Philadelphia, PA 19255

Steps for Preparing Your Return

We have set up this year's instructions using 9 steps. You should complete the first 4 steps that follow BEFORE you begin to fill out your return.

Then, you may find it helpful to follow the Line-By-Line Instructions. They begin on this page and end on page 16.

Finally, steps 6 through 9 begin on page 16. They are steps you should take after your Form 1040 and other schedules and forms you need are filled in.

If you follow these steps and read the Line-By-Line Instructions, we feel you can fill in your return quickly and accurately. You may also find some of the publications listed in the instructions helpful if you need more details.

Step 1

Get all of your income records together.

These include any Forms **W–2, W–2G, W–2P, 1087,** and **1099** that you may have. If you don't get a Form W–2 by January 31, or if the one you get isn't correct, please contact your employer as soon as possible. Only your employer can give you a Form W–2, or correct it. If you cannot get a Form W–2 by February 15, please contact an IRS office.

If you have someone prepare your return for you, make sure that person has all your income records and expense records so he or she can fill in your return correctly. Remember, if someone else prepares your return incorrectly—you are still responsible.

Step 2

If you plan to take tax credits or itemize deductions, get all the information and expense records you will need.

Pages 13 through 20 of these instructions tell you what credits and deductions you can take. Some of the records you may need are:

- Medical and dental payment records.
- Real estate and personal property tax receipts.
- Interest payment records for items such as a home mortgage and installment payments on cars or appliances.
- Records of payments for child and dependent care so you could work.

Step 3

Get any forms, schedules, or publications you need.

In general, we mail forms and schedules directly to you based on what you filed last year. Before you fill in your return, look it over to see if you need more forms or schedules.

If you think you will need any other forms, get them before you start to fill in your return. Your local bank, post office, or public library will have some of them. Or, you can use the order blank on the next to the last page of this instruction booklet. We will send you the forms, schedules, instructions, and publications you ask for.

Step 4

Use the mailing label from the forms booklet we sent you and make sure it is correct.

If it isn't, mark through it and correct it on the label. Show your apartment number if you have one. Use of the label helps us identify your account, saves processing time, and speeds refunds.

If the label is for a joint return and the social security numbers are not listed in the same order as the first names, show the numbers in the correct order.

Do not attach your label to your return until you finish filling it in and check all entries.

If you don't have a social security number, please get **Form SS–5** from a Social Security Administration (SSA) office. File it with your local SSA office early enough to get your number before April 15. If you do not get the number by then, file your return without it and write "Applied for" in the block for your social security number.

Step 5

Fill in your return.

Line-By-Line instructions for filling in Form 1040 begin below and end on page 16. Please follow them.

Step 6 picks up on page 16.

Line-By-Line Instructions—Form 1040

Name, Address, and Social Security Number Blocks

Please use the mailing label from the forms booklet we sent you. If you did not receive a booklet with a label, print or type your name and address. If you are married, give social security numbers for both you and your spouse whether you file joint or separate returns.

If your spouse is a nonresident alien, has no income, and does not have a social security number, please write "NRA" in the block for your spouse's social security number.

Name change. If you have changed your name because of marriage, divorce, etc., make sure you immediately notify the Social Security Administration (SSA) so the name on your tax return is the same as the name SSA has on its records. This may prevent delays in issuing your refund.

Joint return. If you are filing a joint return, show the social security numbers in the same order that you show your first names. If you are filing a joint return and have different last names, please separate the names with an "and." For example: "John Brown and Mary Smith."

Remember to show your occupations in the spaces in the upper right corner just below the social security number blocks.

Presidential Election Campaign Fund

This fund was established by Congress to support public financing of Presidential election campaigns.

You may have $1 go to the fund by checking the **Yes** box. On a joint return, both of you may choose to have $1 go to this fund, or both may choose not to. One may choose to have $1 go to this fund and the other may choose not to.

If you check **Yes**, it will not change the tax or refund shown on your return.

Do not claim this amount as a credit for political contributions on line 44.

Filing Status

Boxes 1 through 5

Were You Single or Married?

Consider yourself single if on December 31 you were unmarried or separated from your spouse either by divorce or separate maintenance decree and you do not qualify for another filing status. State law governs whether you are married, divorced, or legally separated.

If you were married on December 31, consider yourself married for the whole year. If you meet the tests for *Married Persons Who Live Apart (and Abandoned Spouses)*, on page 6, you may consider yourself single for the whole year.

If your spouse died during 1982, consider yourself married to that spouse for the whole year, unless you remarried before the end of 1982.

Married Persons

Joint or Separate Returns?

Joint Return. In most cases, married couples will pay less tax if they file a joint return. You must report all income, exemptions, deductions, and credits for you and your spouse. Both of you must sign the return, even if only one of you had income.

You and your spouse can file a joint return even if you did not live together for the whole year. Both of you are responsible for any tax due on a joint return, so if one of you does not pay, the other may have to.

If your spouse died in 1982, or in 1983 before filing a return for 1982, write in the signature area "Filing as surviving spouse." Also write "deceased" after the name of the decedent and show the date of death in the name and address space.

Tax Savings.—If you decide not to file a joint return and plan to file a separate return, see if you can lower your tax by meeting the tests described below under *Married Persons Who Live Apart (and Abandoned Spouses).* If you can, you should check Box 1 for Single or, if you qualify, Box 4 for Head of household.

Special Rule for Aliens.—If at the end of 1982, you were a nonresident alien or dual-status alien married to a citizen or resident of the United States, you may be able to file a joint return with your spouse. If you do file a joint return, you and your spouse must agree to be taxed on your combined worldwide income.

For more details, please get **Publication 519,** U.S. Tax Guide for Aliens.

Separate Returns. You can file separate returns if both you and your spouse had income, or if only one of you had income. If you both file, you and your spouse must figure your tax the same way. This means if one itemizes deductions, the other must itemize. You each report only your own income, exemptions, deductions, and credits, and you are responsible only for the tax due on your own return.

If you file a separate return, write your spouse's full name in the space after Box 3 and your spouse's social security number in the block provided for that number.

If your spouse does not file, check the boxes on line 6b that apply if you can claim the exemptions for your spouse. Please see **For Your Spouse** on page 7.

Community Property States.— Community property States are: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington.

If you and your spouse live in a community property State, you must follow State law to determine what is community income and what is separate income. However, different rules could apply if:

- you and your spouse lived apart all year,
- you do not file a joint return, and
- no part of the community income you earn is transferred to your spouse.

Please get **Publication 555,** Community Property and the Federal Income Tax, for more details.

Married Persons Who Live Apart (and Abandoned Spouses).—Some married persons who do not live with their husband or wife may file as Single or as Head of household and use tax rates that are lower than those for married persons filing separate returns. This means that if your spouse itemizes deductions, you do not have to. Both you and your spouse can file this way if you both meet the tests.

You should check Box 1 for Single if you meet ALL of the following tests:

a. You file a separate return,

b. You paid more than half the cost to keep up your home in 1982,

c. Your spouse did not live with you at any time during 1982, and

d. For over 6 months of 1982, your home was the principal residence of your child or stepchild whom you can claim as a dependent.

You should check Box 4 for Head of household if your home in test **d,** above, was the dependent child's principal residence for ALL of 1982. The tax rates for Head of household are even lower than the rates for Single. You may also be able to claim the earned income credit.

Were You a Head of Household?

There are special tax rates for a person who can meet the tests for Head of household. These rates are lower than the rates for Single or Married filing a separate return.

You may use this filing status **ONLY IF** on December 31, 1982, you were unmarried (including certain married persons who live apart) or legally separated and meet test a or b below:

a. You paid more than half the cost of keeping up a home which was the principal residence of your father or mother whom you can claim as a dependent. (You must be able to claim this parent as your dependent without a Multiple Support Declaration, but you did not have to live with that parent.) OR

b. You paid more than half the cost of keeping up the home in which you lived and in which one of the following also lived all year (except for temporary absences for vacation or school):

1. Your **unmarried** child, grandchild, foster child, or stepchild. (This person did not have to be your dependent.)

Note: *If you are filing as Head of household because of an unmarried child, grandchild, foster child, or stepchild, who is* **not** *your dependent, enter that person's name in the space provided on line 4. Enter only one name. If any other person qualifies you for Head of household, no entry is needed.*

2. Your **married** child, grandchild, foster child, or stepchild. (You must **be able to claim this person as your** dependent without a Multiple Support Declaration.)

3. Any other person listed below whom you can claim as a dependent. However, this person does not qualify you if he or she is your dependent under a Multiple Support Declaration. Please see the rules on page 7 for Dependent Supported by Two or More Taxpayers.

Grandparent
Brother
Sister
Stepbrother
Stepsister
Stepmother
Stepfather
Mother-in-law
Father-in-law

Brother-in-law
Sister-in-law
Son-in-law
Daughter-in-law, or
If related by blood:
  Uncle
  Aunt
  Nephew
  Niece

Note: *If you receive payments under the Aid to Families with Dependent Children (AFDC) program and use them to pay part of the cost of keeping up this home, you may not count these amounts as furnished by you.*

Were You a Qualifying Widow or Widower With a Dependent Child?

If so, you may be able to use joint return tax rates for 1982.

If your spouse died during 1981 or 1980 and you did not remarry before the end of 1982, file a return for 1982 showing only your own income, exemptions, deductions, and credits. However, you can figure your tax at joint return rates if you meet **all** 3 of the following tests:

- You could have filed a joint return with your spouse for the year your spouse died. (It does not matter whether you actually filed a joint return.)
- Your dependent child, stepchild, or foster child lived with you (except for temporary absences for vacation or school).
- You paid over half the cost of keeping up the home for this child for the whole year.

Check Box 5, Qualifying widow(er) with dependent child, and show the year your spouse died in the space provided. **Do not** claim an exemption for your spouse. (You can claim the exemption only for the year your spouse died.)

If your spouse died in 1982 and you did not remarry, consider yourself married for the whole year. If your spouse died before 1980 and you did not remarry, you may check Box 4 if you met the tests under **Were You a Head of Household?** Otherwise you must file as Single.

Exemptions

Line 6a Boxes

For Yourself

You can always take one exemption for yourself. Take two exemptions if you were blind, or 65 or over. Take three exemptions if you were blind and 65 or over. Be sure to check all the boxes on line 6a for the exemptions you can take for yourself.

You can take the extra exemptions for age 65 or over and blindness only for yourself and your spouse. You cannot take them for dependents.

Age and blindness are determined as of December 31. However, if your 65th birthday was on January 1, 1983, you can take the extra exemption for age for 1982.

Proof of Blindness

If you are completely blind, attach a statement to this effect.

In cases of partial blindness, you must attach to your return each year a certified statement from an eye physician or registered optometrist that:

a. You cannot see better than 20/200 in the better eye with glasses, or

b. Your field of vision is not more than 20 degrees.

If this eye condition will never improve beyond the standards in **a** or **b**, you may submit a certified opinion to this effect from an examining eye physician. You must attach this certification to your return only once. In later years you can just include a statement referring to it.

Line 6b Boxes

For Your Spouse

You can take exemptions for your spouse if you file a joint return. If you file a separate return you can take your spouse's exemptions only if your spouse is not filing a return, had no income, and was not the dependent of someone else.

Your spouse's exemptions are like your own. Take one exemption if your spouse was neither blind nor 65 or over. Take two exemptions if he or she was blind or 65 or over. Take three exemptions if blind and 65 or over. Be sure to check all the boxes on line 6b for the exemptions you can take for your spouse.

If at the end of 1982, you were divorced or legally separated, you cannot take an exemption for your former spouse. If you were separated by a divorce that is not final (interlocutory decree), you may take an exemption for your spouse if you file a joint return.

If your spouse died during 1982 and you did not remarry before the end of 1982, check the boxes for the exemptions you could have taken for your spouse on the date of death.

Nonresident Alien Spouse. If you do not file a joint return, you may claim your spouse's exemptions only if your spouse had no income from United States sources and is not the dependent of another taxpayer. Use the boxes on line 6b to claim exemptions for a nonresident alien spouse. When claiming your spouse's exemption, please write "NRA" above the word Spouse on line 6b.

Lines 6c and 6d

Children and Other Dependents

Please enter on line 6c the first names of your dependent children who lived with you. Fill in the total number in the box to the right of the arrow.

Please enter on line 6d the full names and other information for your other dependents including your dependent children who did **not** live with you. Fill in the total number in the box to the right of the arrow.

Each person you claim as a dependent has to meet ALL 5 of these tests:

a. income;
b. support;
c. married dependent;
d. citizenship or residence; and
e. relationship.

These tests are explained below.

a. Income

The dependent received less than $1,000 gross income. (This test does not have to be met for your child who was under 19 at the end of the year, or a full-time student at least 5 months of the year. Please see instructions for **Student Dependent** on this page.)

Note: *Gross income does not include nontaxable benefits such as social security or welfare benefits.*

b. Support

The dependent received over half of his or her support from you, or is treated as receiving over half of his or her support from you, under the rules for **Children of Divorced or Separated Parents, or Dependent Supported by Two or More Taxpayers,** on this page. If you file a joint return, the support can be from you or your spouse.

In figuring total support, you must include money the dependent used for his or her own support, even if this money was not taxable (for example, social security benefits, gifts, savings, welfare benefits, etc.). If your child was a student, do not include amounts he or she received as scholarships.

Support includes items such as food, a place to live, clothes, medical and dental care, and education. In figuring support, use the actual cost of these items. However, the cost of a place to live is figured at its fair rental value.

Do not include in support items such as income and social security taxes, premiums for life insurance, or funeral expenses.

Capital items—You must include capital items such as a car or furniture in figuring support, but only if they are actually given to, or bought by, the dependent for his or her use or benefit. Do not include the cost of a capital item such as furniture for the household or for use by persons other than the dependent.

If you care for a foster child, see **Publication 501,** Exemptions, for special rules that apply.

c. Married Dependent

The dependent did not file a joint return with his or her spouse. However, if neither the dependent nor the dependent's spouse is required to file, but they file a joint return to get a refund of tax withheld, you may claim him or her if the other four tests are met.

d. Citizenship or Residence

The dependent was a citizen or resident of the United States, a resident of Canada or Mexico, or an alien child adopted by and living with a U.S. citizen in a foreign country.

e. Relationship

The dependent met test **1.** or **2.** below.

1. Was related to you (or your spouse if you are filing a joint return) in one of the following ways:

Child
Stepchild
Mother
Father
Grandparent
Brother
Sister
Grandchild

Stepbrother
Stepsister
Stepmother
Stepfather
Mother-in-law
Father-in-law
Brother-in-law
Sister-in-law

Son-in-law
Daughter-in-law
or, if related by blood:
Uncle
Aunt
Nephew
Niece

2. Was any other person who lived in your home as a member of your household for the whole year.

A person is not a member of your household if at any time during your tax year the relationship between you and that person is against local law.

The word child includes:

- Your son, daughter, stepson, or stepdaughter.
- A child who lived in your home as a member of your family if placed with you by an authorized placement agency for legal adoption.
- **A foster child (any child who lived in your home as a member of your family for the whole year).**

Student Dependent. Even if your child had income of $1,000 or more, you can claim the child as a dependent if he or she can meet tests **b, c, and d above:** AND

- was enrolled as a full-time student at a school during any 5 months of 1982, or
- took a full-time, on-farm training course during any 5 months of 1982. (The course had to be given by a school or a State, county, or local government agency.)

The school must have a regular teaching staff, a regular course of study, and a regularly enrolled body of students in attendance.

The word school includes:

- elementary, junior and senior high schools;
- colleges and universities; and
- technical, trade, and mechanical schools.

However, school does not include on-the-job training courses or correspondence schools.

Children of Divorced or Separated Parents. If a child's parents together paid more than half of the child's support, the parent who has custody for most of the year can generally take the exemption for that child. However, the parent who does **NOT** have custody (or who has the child for the shorter time), may take the exemption if **a** or **b** below, applies.

a. That parent gave at least $600 toward the child's support in 1982, and the decree of divorce or separate maintenance (or a written agreement between the parents) states he or she can take the exemption, OR

b. That parent gave $1,200 or more for each child's support in 1982, and the parent who had custody cannot prove that he or she gave more than the other parent.

Note: *To figure the amount of support, a parent who has remarried and has custody may count the support provided by the new spouse.*

Dependent Supported by Two or More Taxpayers. Sometimes two or more taxpayers together pay more than half of another person's support, but no one alone pays over half of the support. One of the taxpayers may claim the person as a dependent only if the tests for income, married dependent, citizenship or residence, and relationship discussed earlier (tests **a, c, d,** and **e**) are met.

In addition, the taxpayer who claims the dependent must:

a. have paid more than 10% of the dependent's support; and

b. attach to his or her tax return a signed **Form 2120,** Multiple Support Declaration, from every other person who paid more than 10% of the support. This form states that the person who signs it will not claim an exemption in 1982 for the person he or she helped to support.

Birth or Death of Dependent. You can take an exemption for a dependent who was born or who died during 1982 if he or she met the tests for a dependent while alive. This means that a baby who lived only a few minutes can be claimed as a dependent.

For more information, please get **Publication 501,** Exemptions.

Line 6e

Add the numbers you entered in the boxes for lines 6a, b, c, and d. Enter the total in the box on line 6e.

Income

Examples of Income You Do Not Report

(Do not include these amounts when you decide if you must file a return.)

Federal social security benefits.

Welfare benefits.

Disability retirement payments (and other benefits) paid by the Veterans Administration.

Workmen's compensation benefits, insurance damages, etc., for injury or sickness.

Child support.

Gifts, or money or other property you inherited or that was willed to you.

Dividends on veterans' life insurance.

Life insurance proceeds received because of a person's death.

Interest on certain State and municipal bonds.

Amounts you received from an insurance company because you lost the use of your home due to fire or other casualty to the extent the amounts were more than the cost of your normal expenses while living in your home. (You must report reimbursements for normal living expenses as income.)

Amounts an employer contributed on your behalf and benefits provided to you as an employee or the spouse or dependent of an employee, under a qualified group legal services plan.

Examples of Income You Must Report

The following kinds of income should be reported on Form 1040, or related forms and schedules. You may need some of the forms and schedules listed below.

Wages, including salaries, bonuses, commissions, fees, and tips.

Dividends (Schedule B).

Interest (Schedule B) on:
tax refunds;
bank deposits, bonds, notes;
All-Savers Certificates;
U.S. Savings Bonds;
mortgages on which you receive payments;
certain arbitrage bonds issued by State and local governments; and
accounts with savings and loan associations, mutual savings banks, credit unions, etc.

Unemployment compensation (insurance) (see page 10).

Distributions from an Individual Retirement Arrangement (IRA) or a Simplified Employee Pension (SEP).

Amounts received in place of wages, from accident and health plans (including sick pay and disability pensions) if your employer paid for the policy.

Bartering income (fair market value of goods or services you received in return for your services).

Business expense reimbursements you received that are more than you spent for these expenses.

Alimony, separate maintenance or support payments received from and deductible by your spouse or former spouse.

Refunds of State and local taxes if you deducted the taxes in an earlier year and got a tax benefit.

Life insurance proceeds from a policy you cashed in if the proceeds are more than the premiums you paid.

Profits from businesses and professions (Schedule C).

Your share of profits from partnerships and small business corporations (Schedule E).

Profits from farming (Schedule F).

Pensions, annuities, and endowments.

Lump-sum distributions (Form 4972 or Form 5544).

Gains from the sale or exchange (including barter) of real estate, securities, coins, gold, silver, gems or other property (Schedule D or Form 4797).

Gains from the sale of your personal residence (Schedule D and Form 2119).

Rents and royalties (Schedule E).

Your share of estate or trust income (Schedule E), including accumulation distributions from trusts (Form 4970).

Supplemental annuities under the Railroad Retirement Act (but not regular Railroad Retirement Act benefits).

Prizes and awards (contests, raffles, lottery and gambling winnings).

Earned income from sources outside the United States (Form 2555).

Director's fees.

Fees received for jury duty and precinct election board duty.

Fees received as an executor or administrator of an estate.

Embezzled or other illegal income.

Rounding Off to Whole Dollars

You may round off cents to the nearest whole dollar on your return and schedules. But, if you do round off, do so for all amounts. You can drop amounts under 50 cents. Increase amounts from 50 to 99 cents to the next dollar. For example: $1.39 becomes $1 and $2.69 becomes $3.

Line 7

Wages, Salaries, Tips, Etc.

Show the total of all wages, salaries, fees, commissions, tips, bonuses, supplemental unemployment benefits, and other amounts you were paid before taxes, insurance, etc., were taken out.

Include in this total:

- The amount shown on **Form W–2** in the box **Wages, tips, other compensation.** Report all wages you received, even if you do not have a Form W–2.
- Tips you did not report to your employer. (Show any social security tax due on these tips on line 55—see the instructions on page 14.)
- Certain disability pensions if you are under age 65.
- Payments by insurance companies, etc., not included on Form W–2. If you receive sick-pay or a disability payment from anyone other than your employer, and it is not included in the wages shown on Form W–2, include it on line 7. Attach a statement showing the name and address of the payer and amount of sick-pay or disability income.
(See **Form W–4P** for information on withholding of Federal income tax from your pension.)
- Fair market value of meals and living quarters if given by your employer as a matter of your choice and not for your employer's convenience. (Don't report the value of meals given you at work if they were provided for your employer's convenience. Also do not report the value of living quarters you had to accept as a condition of employment.)
- Strike and lockout benefits paid by a union from union dues. Include cash and the fair market value of goods received. Don't report benefits that were meant as a gift.

Note: *You must report on line 7 all wages, salaries, etc., paid for your personal services, even if the income was signed over to a trust (including an IRA or a SEP), another person, a corporation, or tax exempt organization.*

If you want more information on reporting income received in the form of goods, property, meals, stock options, educational assistance provided by your employer under a qualified written plan, etc., please get **Publication 525,** Taxable and Nontaxable Income.

Line 8

Interest Income

Enter your total interest income. If the total is more than $400 or you have any interest from All-Savers Certificates, first fill in Schedule B. (The instructions for Schedule B begin on page 20.)

Report any interest you received or that was credited to your account so you could withdraw it. (It does not have to be entered in your passbook.)

If you were charged a penalty for early withdrawal of your savings, see the instructions for line 27 on page 11.

Examples of Interest Income You MUST Report

Report interest from:

- Accounts (including certificates of deposit) with banks, credit unions, and savings and loan associations.
- Building and loan accounts.
- Notes, loans, and mortgages.
- Tax refunds (report only the interest on them as interest income).
- Bonds and debentures. Also arbitrage bonds issued by State and local governments after October 9, 1969. (Do not report interest on other State and local bonds and securities.)
- The discount for the part of the year you held corporate bonds or other notes first issued at a discount after May 27, 1969.
- U.S. Treasury bills.

- **U.S. Savings Bonds.** The interest is the yearly increase in the value of the bond. Interest on Series E or EE bonds can be reported using method a or b below:

a. Report the total interest when you cash the bonds, or when they reach final maturity and no longer earn interest.

b. Or, each year on your return, report the yearly increase of the bonds' value.

If you change to method **b**, report the entire increase in all your bonds from the date they were issued. Each year after, report only the yearly increase. Once you have used method **b** to report your interest, you must continue to do so for all your U.S. Savings Bonds.

For more information, get **Publication 550,** Investment Income and Expenses, or **Publication 537,** Installment Sales.

Exclusion of Qualifying Interest From All-Savers Certificates

You can claim a lifetime exclusion of up to $1,000 of interest received from All-Savers Certificates. If you file a joint return, you can exclude up to $2,000, regardless of which spouse received the interest.

For a definition of an All-Savers Certificate, see **Publication 550,** Investment Income and Expenses.

If you received interest from an All-Savers Certificate, you MUST complete Schedule B of Form 1040. See the instructions for Schedule B on page 20.

Line 9a

Dividends

Dividends are distributions of money, stock, or other property that corporations pay to stockholders. They also include dividends you receive through a partnership or an estate or trust. Payers include nominees or other agents.

Note: *Generally, payments from a Money Market Fund are dividends.*

If the total, including capital gain and nontaxable distributions, is more than $400 or you elect to exclude dividends received under a qualified public utility dividend reinvestment plan, first fill in Schedule B. (The instructions for Schedule B begin on page 20.) If you received $400 or less in dividends, include only the ordinary dividends on line 9a.

Dividends Include

- **Ordinary dividends.** These are paid out of earnings and profits and are ordinary income. Assume that any dividend you receive is an ordinary dividend unless the paying corporation tells you otherwise.
- **Capital gain distributions.** If you have other capital gains or losses, you should also enter your capital gain distributions on Schedule D. If you don't need Schedule D to report any other gains or losses, don't use it. Instead, show 40% of your capital gain distributions on Form 1040, line 14.
- **Nontaxable distributions.** Some distributions are nontaxable because they are a return of your investment. They will not be taxed until you recover your cost. You must reduce your cost (or other basis) by the amount of nontaxable distributions received. After you get back all of your cost (or other basis), you must report these distributions as capital gains.

Do Not Report as Dividends

- Mutual insurance company dividends that reduced the premiums you paid.
- Amounts paid on deposits or accounts from which you could withdraw your money such as mutual savings banks, cooperative banks, and credit unions. Remember to report these amounts as interest on Form 1040, line 8.

Exclusion for Dividend Reinvestment in Stock of Public Utilities

Beginning in 1982, if you own stock in a qualified public utility and choose to receive your dividends in qualified common stock rather than in cash or other property, you may exclude up to $750 ($1,500 on a joint return) of the dividends distributed to you after December 31, 1981.

For more information, see the instructions for Schedule B on page 21.

For more information, please get **Publication 550,** Investment Income and Expenses.

Line 9b

Exclusion

For 1982, you can exclude (subtract) up to $100 of qualifying dividend income. If you and your spouse file a joint return, you can subtract up to $200, regardless of which spouse received the dividends.

Dividends from regulated investment companies (including Money Market Funds) may qualify. The corporation, however, will tell you how much of the dividend qualifies for the exclusion.

Dividends must be from a domestic corporation to qualify for the exclusion. Taxable dividends from the following corporations **do not** qualify for the exclusion:

- Foreign corporations, including dividends from controlled foreign corporations.
- Exempt organizations (charitable, fraternal, etc.) and exempt farmers' cooperative organizations.
- Electing small business corporations to the extent the amounts are distributions out of current earnings and profits.

Line 9c

Subtract line 9b from line 9a.
Enter the result on this line.

Line 10

Refunds of State and Local Income Taxes

If you received a refund or credit in 1982 for State or local income taxes you paid before 1982, you may have to report it as income on your Federal income tax return.

Do not report the refund as income if it was for a tax you paid in a year for which you did not itemize deductions on Schedule A (Form 1040).

If the refund was for a tax you paid in a year for which you itemized deductions on Schedule A (Form 1040), report the entire refund as income if the entire deduction in the year of payment resulted in a Federal income tax savings.

If only part of the deduction resulted in a Federal income tax savings, report only that part of the refund that resulted in the savings. (If you need help in figuring this amount, please get **Publication 525,** Taxable and Nontaxable Income.)

If you itemize deductions for 1982, do not reduce the deduction for taxes by any refund of those taxes for an earlier year.

Line 11

Alimony Received

Show amounts you received as alimony or separate maintenance on line 11. For more information, please get **Publication 504,** Tax Information for Divorced or Separated Individuals.

Line 12

Business Income or (Loss)

Please see the instructions for **Schedule C.** Enter your income or (loss) from Schedule C.

Line 13

Capital Gain or (Loss)

Please see the instructions for **Schedule D.** Enter the gain or (loss) from Schedule D.

Line 14

Capital Gain Distributions

If you do not need Schedule D for other capital transactions, enter 40% of your capital gain distributions for the year on line 14.

If you have other capital gains or losses, include these distributions on Schedule D.

Line 15

Supplemental Gains or Losses

If you sold or exchanged assets used in a trade or business, see the instructions for **Form 4797.**

Enter the gain or (loss) from Form 4797.

Line 16

Fully Taxable Pensions, IRA Distributions, and Annuities

Use this line to report fully taxable pension and annuity income and regular IRA distributions you receive.

Your pension or annuity payments are fully taxable if:

- You did not contribute to the cost of your pension or annuity, or
- You got back your entire cost before 1982.

Fully taxable pensions and annuities also include: military retirement pay shown on Form W–2P, and distributions from an individual retirement arrangement (IRA) (except for rollovers and premature distributions).

Other pensions and annuities, including rollovers, should be shown on lines 17a and 17b. Premature distributions from an IRA should be reported on line 21.

Line 17

Other Pensions and Annuities

Use lines 17a and 17b to report pension and annuity income that is not fully taxable. Also use these lines to report distributions from profit-sharing, retirement plans, and individual retirement arrangement rollovers.

The pension or annuity may not be taxable until a later year if:

a. Both you and your employer contributed to it, and

b. You will get back your full cost in 3 years or less beginning on the date you receive the first payment.

If you meet the requirements of a and b, complete the worksheet below to figure the taxable part of your pension or annuity. After you get back your full cost, all payments you receive are fully taxable. Your cost includes amounts you contributed and amounts your employer contributed which you reported as income.

Example: You retired in 1982 with a monthly pension of $200. Both you and your employer contributed to it. Your pension cost was $4,925. The amount you can expect to receive within 3 years is $7,200 (36 months x $200=$7,200). Since this amount is more than your cost ($4,925), you should exclude your pension until the payments total $4,925. After that, they are fully taxable and you should report them on line 16.

For more information get **Publication 575,** Pension and Annuity Income. Retirees from the Federal government should get **Publication 567,** U.S. Civil Service Retirement and Disability.

Complete the worksheet below to figure the taxable part of your pension or annuity:

1a. Enter your cost . . . . ______

b. Cost recovered in prior years . . ______

c. Subtract line 1b from line 1a . . ______

2. Amount received this year. Also enter this amount on Form 1040, line 17a . . . . ______

3. Amount on line 2 that is not taxable (but not more than line 1c) . . . . ______

4. Taxable part (subtract line 3 from line 2). Enter here and on Form 1040, line 17b (If zero, enter –0–) ______

(Keep this worksheet for your records)

Note: *If you had more than one pension or annuity that is not fully taxable, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040, line 17b.*

If you cannot recover your cost within 3 years, you must use special rules to report your pension or annuity income. For more details, please get **Publication 575.** If you must use this method, enter the amount you received this year on line 17a. Enter the taxable part on line 17b.

Total Distributions from Profit-Sharing, Retirement Plans and Individual Retirement Arrangements

If you are reporting a "rollover" of a profit-sharing or retirement plan or qualified bond purchase plan distribution into an individual retirement arrangement (IRA) or other profit-sharing or retirement plan, enter the total distribution (excluding your nondeductible contribution, if any) on line 17a. If the total on line 17a was rolled over, enter zero on line 17b. Otherwise, enter the taxable part as ordinary income on line 17b.

For more information on "rollovers" of distributions into an IRA, get **Publication 590,** Tax Information on Individual Retirement Arrangements.

If you received a lump-sum distribution from a profit-sharing or retirement plan, report the ordinary income part on line 16 of Form 1040 and the capital gain part on Schedule D (Form 1040). **Form 1099R,** Statement for Recipients of Total Distributions from Profit-Sharing, Retirement Plans and Individual Retirement Arrangements, shows the amount of the distribution. You may pay less tax on this distribution if you are eligible to use the special averaging method. (This method cannot be used for lump-sum distributions from IRA or HR–10 plans.) For more details, get **Form 4972,** Special 10-Year Averaging Method, or **Form 5544,** Multiple Recipient Special 10-Year Averaging Method, and separate instructions.

Beneficiaries—Death Benefit Exclusion

If you are the beneficiary of a decedent, you may be entitled to a death benefit exclusion of up to $5,000 if either of the following applies:

a. The decedent received no retirement pension or annuity payments, or

b. The decedent received disability income payments that were not treated as pension or annuity income.

If you are entitled to this exclusion, add it to the cost of the pension or annuity. For details, get **Publication 575.**

Disability Pensions and Annuities

You may not have to pay tax on part or all of your disability payments if you meet certain tests about your age, date of retirement, whether you are permanently and totally disabled, etc.

For more information, get **Form 2440,** Disability Income Exclusion, and **Publication 522,** Disability Payments.

If you use **Form 2440** or your disability payments are fully taxable, DO NOT USE lines 17a or 17b of Form 1040. Instead, report disability payments you are not treating as a pension or annuity on Form 1040, line 7, regardless of whether you can exclude any part of them on Form 2440.

Note: *Also see* **Should You Make Estimated Tax Payments?** *on page 17.*

Line 18

Rents, Royalties, Partnerships, Estates, Trusts, etc.

See the instructions for **Schedule E.** Enter the income or (loss) from Schedule E.

Line 19

Farm Income or (Loss)

See the instructions for **Schedule F.** Enter the income or (loss) from Schedule F.

Line 20

Unemployment Compensation

Unemployment compensation (insurance) you receive may be taxable under certain conditions.

You should receive a statement, on **Form 1099–UC,** showing the total unemployment compensation paid to you during the year. For payments in 1982, you should receive this statement by January 31, 1983.

Note: *Supplemental unemployment benefits received from a company-financed supplemental unemployment benefit fund are wages. They are not considered unemployment compensation for purposes of this computation. Report these benefits on Form 1040, line 7.*

If you received any unemployment compensation during 1982, please enter the total from Form(s) 1099–UC on line 20a. To see if any of the unemployment compensation is taxable, fill in the following worksheet:

Check only one box

☐ **A.** Single—enter $12,000 on line 8 below.

☐ **B.** Married filing a joint return—enter $18,000 on line 8 below.

☐ **C.** Married not filing a joint return and lived with your spouse at any time during the year—enter –0– on line 8 below.

☐ **D.** Married not filing a joint return and DID NOT live with your spouse at any time during the year—enter $12,000 on line 8 below.

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1. Total unemployment compensation from Form(s) 1099–UC . . ______

2. If you received an overpayment of unemployment compensation in 1982 and repaid it in 1982, enter the repayment here. Also write "repayment" and the amount repaid in the margin of Form 1040 to the left of line 20a ______

3. Subtract line 2 from line 1 . . ______

4. Enter the total of the amounts on Form 1040, lines 7, 8, 9c through 19, and 21 (do not include any unemployment compensation in this figure) . . . ______

5. Add lines 3 and 4 . . . . . ______

6. Enter the total of the amounts shown on Form 1040, lines 23 through 28 and any write-in adjustments on line 31 . . . . ______

7. Subtract line 6 from line 5 . . ______

8. Enter {$12,000 if you checked box A or D, or $18,000 if you checked box B, or –0– if you checked box C} . ______

9. Subtract line 8 from line 7. If zero or less, stop here and enter –0– on Form 1040, line 20b . ______

10. Enter one-half (50%) of the amount on line 9 . . . . . ______

11. Taxable unemployment compensation. Enter the amount from line 3 or line 10, whichever is smaller. Also enter on Form 1040, line 20b . . . . . .

Line 21

Other Income

Use line 21 to report any income you can't find a place for on your return or other schedules. Also show the nature and source of the income.

Caution: *Do not report any income from self-employment on line 21. If you do have any income from self-employment, you must use Schedule C or Schedule F. Amounts your employer paid you for business expenses that are more than you spent for the actual business expenses should be added to the wages shown on line 7 unless they were already included in your W–2.*

Examples of income to be reported on line 21 are:

- Prizes, awards and gambling winnings. Proceeds from lotteries, raffles, etc., are gambling winnings. You must report the full amount of your winnings on this line. You cannot offset losses against winnings and report the difference.

  If you had any gambling losses, you may take them as an itemized deduction on Schedule A. However, you cannot deduct more losses than the winnings you report.
- Repayment of medical expenses or other items such as real estate taxes that you deducted in an earlier year, if they reduced your tax.
- Amounts you recovered on bad debts that you deducted in an earlier year.
- Early withdrawals from an IRA of payments you deducted in an earlier year.

Net operating loss. If you had a net operating loss in an earlier year to carry forward to 1982, enter it as a minus figure on line 21. Attach a statement showing how you figured the amount. See **Publication 536,** Net Operating Losses and the At-Risk Limits, for more details.

Line 22

Total Income

Add the amounts in the column for line 7 through line 21. Enter the total on line 22.

Adjustments to Income

Line 23

Moving Expense

Employees and self-employed persons (including partners) can deduct certain moving expenses. The move had to be in connection with your job or business.

You can take this deduction only if your change in job location has added at least 35 miles to the distance from your old residence to your work place. If you had no former principal work place, your new principal work place must be at least 35 miles from your former residence.

If you meet these requirements, you should see **Form 3903** for details. Use Form 3903 to figure the amount of moving expenses to show on line 23. If you moved outside the United States or its possessions, see **Form 3903F.**

If your employer paid for any part of the move, you must report that as income on Form 1040, line 7. Your employer should give you **Form 4782** and include that amount in total wages, tips and other compensation on **Form W–2.**

Line 24

Employee Business Expenses

You can deduct certain business expenses that were not paid by your employer. Travel, transportation (but not commuting to and from work) and meals and lodging can be deducted on line 24 by using **Form 2106** even if you do not itemize deductions on Schedule A. All other business expenses such as union or professional dues, tools, and uniforms can be deducted only if you itemize deductions on Schedule A. Outside salespersons should claim their business expenses on line 24 by using Form 2106. For details, get **Publication 463,** Travel, Entertainment, and Gift Expenses.

Line 25

Payments to an Individual Retirement Arrangement (IRA)

Use the following worksheet to figure your deduction for payments to an IRA (including those made under a Simplified Employee Pension (SEP) plan). **Schedule C or F filers with a SEP and partners with a SEP take the deduction on line 26.**

You may include payments made on or before the due date of this return (including any extensions). Do not include 1982 payments made before the due date of your 1981 income tax return and deducted on your 1981 tax return. If both spouses work and both have IRAs, figure each spouse's deduction separately. Enter the total of the two deductions on line 25.

Also enter the number which identifies your situation in the code space on line 25.

Failure to include the code will delay processing of your return.

One individual IRA	1
Two individuals IRAs (both spouses employed)	2
One individual IRA and one spousal IRA (only one spouse employed) .	3
One SEP	4
Two SEPs	5
One individual IRA and one SEP . .	**6**

For more information, see **Publication 590,** Tax Information on Individual Retirement Arrangements.

Worksheet

1. (a) Amount paid to your IRA. (Do not include rollovers or your employer's SEP payments.) . . ______
   (b) Amount of any qualified employee contributions made to your employer's pension or profit-sharing plan . . . . ______
   (c) Add (a) and (b) . . . . ______
2. Your employer's SEP payments to your IRA . . . . . . ______
3. Amount paid to your non-working spouse's IRA. (Do not include rollovers.) . . . . . ______
   (If you made excess payments in earlier years, you may be able to include them on line 9. See instructions for Form 5329, line 3.)
4. Wages and other earned income from Form 1040. (Do not include spouse's income and do not reduce your wages by losses from self-employment.) . . . ______
5. Enter employer's SEP payments . ______
6. Subtract line 5 from line 4 . . ______

Complete lines 7 and/or 8 below, whichever applies to you.

7. **(a) Your IRA.**—Enter the smallest of: $2,000, line 4, or line 1(c) . . . . ______
   (b) IRA for your non-working spouse—Enter the smallest of $2,000, line 4, or line 3 . . . ______
   (c) Total of (a) and (b) but not more than $2,250 . . . . ______
8. **Simplified Employee Pension (SEP).**—Enter the smallest of line 2, 15% of line 6, or $15,000 . . . . ______
9. **Allowable deduction.**—Add lines 7(c) and 8. Also enter on Form 1040, line 25 . . . . . . ______

(If line 9 is smaller than your IRA contributions and you do not withdraw this excess payment before your return is due, you must file **Form 5329** and pay the tax due.)

Line 26

Payments to a Keogh (H.R. 10) Retirement Plan

Caution:—You must have earnings from self-employment to claim this deduction. Sole proprietors and partners enter the allowable deduction for contributions to your Keogh (H.R. 10) plan and your SEP on line 26.

There are two types of Keogh (H.R. 10) retirement plans:

- **Defined-contribution plan.**—Under this type of plan, you are limited to 15% of your qualified earned income but not more than $15,000.
- **Defined-benefit plan.**—The deduction for this type of plan is determined by the investment needed to fund a specific benefit at retirement age. Write "DB" on the line to the left of the amount if you have a defined-benefit plan.

For more details, get **Publication 560,** Tax Information on Self-Employed Retirement Plans.

Line 27

Penalty on Early Withdrawal of Savings

The Form 1099–INT or 1099–ASC given to you by your bank or savings and loan association will show the amount of any penalty you were charged because you withdrew funds from your time savings deposit before its maturity. Enter this amount on line 27. (Be sure to include the interest income on Form 1040, line 8.)

Line 28

Alimony Paid

You can deduct periodic payments of alimony or separate maintenance made under a court decree. You can also deduct payments made under a written separation agreement entered into after August 16, 1954, or a decree for support entered into after March 1, 1954. Don't deduct lump-sum cash or property settlements, voluntary payments not made under a court order or a written separation agreement, or amounts specified as child support. For details, get **Publication 504,** Tax Information for Divorced or Separated Individuals.

Line 29

Deduction for a Married Couple When Both Work

For 1982 you can claim a deduction if:

- you are married filing a joint return,
- both you and your spouse have Qualified Earned Income, and
- you do not exclude income earned abroad or in U.S. possessions or claim the foreign housing deduction.

Generally, earned income is income you receive for services you provide such as wages, salaries, tips, and commissions. It also includes income earned from self-employment.

Caution: Do not consider community property laws in figuring your earned income.

Complete **Schedule W (Form 1040)** to figure your deduction.

Line 30

Disability Income Exclusion

This exclusion is for persons who are retired on permanent and total disability.

You must meet ALL these tests:

- You had not reached mandatory retirement age on January 1, 1982.
- You were under age 65 on December 31, 1982.
- You were permanently and totally disabled—

a. when you retired, or

b. on January 1, 1976, or January 1, 1977, if you retired before the later date on disability or under circumstances which entitled you to retire on disability.

Use **Form 2440,** Disability Income Exclusion, to figure the amount of any exclusion. Enter the exclusion from Form 2440 on this line.

Note: *Be sure to include the full amount of your disability pension on Form 1040, line 7.*

Other Adjustments

If you can claim any one of the following adjustments, include it in the total on line 31. Be sure to identify it on the dotted line next to the total and show the amount.

Foreign Housing Deduction.—If you have income earned abroad and you claim a deduction for foreign housing expenses on Form 2555, enter your deduction on line 31. Write "Deduction from Form 2555" in the space to the left of the total.

Forestation/Reforestation Amortization.—If you can claim a deduction for amortization of the costs of forestation or reforestation and you do not have to file Schedule C or Schedule F for this activity, enter your deduction on line 31. Write "Reforestation" in the space to the left of the total.

Repayment of Sub-pay under the Trade Act of 1974.—If you repaid supplemental unemployment benefits (sub-pay) that you previously reported in income because you became eligible for payments under the Trade Act of 1974, enter the amount you repaid in 1982. Write "Sub-pay TRA" in the space to the left of the total. Or, you may be able to claim a credit against your tax instead. See **Publication 525,** Taxable and Nontaxable Income, for more details.

Line 31

Total Adjustments

Add lines 23 through 30. Include any of the amounts you wrote in to the left of this total. Enter the total on this line.

Line 32

Adjusted Gross Income

Subtract line 31 from line 22. If line 32 is less than $10,000, you may be eligible to claim the Earned Income Credit. Please see the instructions for line 62 on page 15.

If line 32 is less than zero (0), you may have a net operating loss that you can carry to another tax year. If you carry the loss back to earlier years, see **Form 1045.** For more information, please get **Publication 536,** Net Operating Losses and the At-Risk Limits.

Tax Computation

Line 33

Enter the amount from line 32.

Line 34a

You will fall into one of the three classes below:

- You MUST itemize deductions, or
- You choose to itemize, or
- You do not itemize.

The three classes are described below.

You MUST Itemize Deductions

You must itemize deductions if:

A. You can be claimed as a dependent on your parents' return and had interest, dividends, or other unearned income of $1,000 or more. Generally, this means that you must complete Schedule A and the worksheet on this page.

There are two exceptions to this rule:

1. You don't have to itemize or complete Schedule A or the worksheet if you have earned income* of $2,300 or more if single ($1,700 or more if married filing a separate return). Enter zero (0) on line 34a and go on to line 34b.
2. You don't have to itemize and use Schedule A if you know that your earned income* is more than your itemized deductions. In this case go directly to the worksheet on this page after completing line 33 of Form 1040. Enter your earned income on line 3 of the worksheet in the next column.

Note: *If your unearned income is less than $1,000, you don't have to use Schedule A or the worksheet—enter zero (0) on line 34a and go on to line 34b.*

In any case, be sure to check the box below line 34a.

B. You are married, filing a separate return, and your spouse itemizes. (There is an exception to this rule: You don't have to itemize if your spouse is described in item A above and enters earned income* instead of itemized deductions when completing the worksheet below.)

C. You file Form 4563 and exclude income from sources in U.S. possessions. (Please see **Form 4563,** and **Publication 570,** Tax Guide for U.S. Citizens Employed in U.S. Possessions, for more details.)

D. You had dual status as a nonresident alien for part of 1982, and during the rest of the year you were either a resident alien or a U.S. citizen. However, you do not have to itemize if you file a joint return with your spouse who was a U.S. citizen or resident at the end of 1982 and you and your spouse agree to be taxed on your combined worldwide income.

After you've completed Schedule A:

a. If Schedule A, line 29, is more than line 28, do not fill in Form 1040, line 34a. Go to the worksheet below instead and complete it to figure the amount to enter on Form 1040, line 35.

b. If Schedule A, line 28, is more than line 29, enter the amount from Schedule A, line 30, on Form 1040, line 34a.

Worksheet

1 Enter the amount from Form 1040, line 33 . . . . ________

2 If you checked Form 1040, Filing Status Box:
  2 or 5, enter $3,400 . . . .
  1 or 4, enter $2,300 . . . . } ________
  3, enter $1,700 . . . . . .

3 Enter the amount from Schedule A, line 28 (or earned income, if more) . ________
  Caution: If you can be claimed as a dependent on your parents' return, see A on this page. Be sure you check the box below line 34a of Form 1040.

4 Subtract line 3 from line 2 . . . ________

5 **Add lines 1 and 4.** Enter here and on Form 1040, line 35. (Leave Form 1040, lines 34a and 34b blank. Disregard the instruction to subtract line 34a or 34b from line 33. Follow the rest of the instructions for Form 1040, line 35) . . . . ________

The example below may help you to complete this worksheet.

Example.—Walter Green, a single individual, is claimed as a dependent on his parents' return. Walter's adjusted gross income, Form 1040, line 33, is $4,000. Of this amount, $1,500 was earned income from a summer job and $2,500 was unearned income that he received as a beneficiary of a trust. Because Walter is

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**Earned income is income you receive for personal services you have performed. It includes wages, salaries, tips, and professional fees.*

Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 7, 12, and 19.

Earned income does not include pay for your services that included a distribution of earnings and profits other than reasonable compensation for your work for a corporation.

If you were engaged in a trade or business in which both your services and capital were important income-producing factors, your earned income will be based on a reasonable allowance for the services you performed. However, the earned income may not be more than 30 percent of your share of the net profits from the business.

being claimed as a dependent on his parents' return and has unearned income of $1,000 or more and earned income of less than $2,300, he must use the worksheet. Walter knows that his total itemized deductions are only $500. Since this is less than his earned income ($1,500), he does not have to complete Schedule A. Walter enters $2,300, the zero bracket amount for a single individual, on line 2 and his earned income on line 3. He completes the worksheet as shown below and enters the total of $4,800 on Form 1040, line 35. He then completes his return using the instructions that follow.

1	Adjusted gross income . . .		$4,000
2	Zero bracket amount for a single individual . .	$2,300	
3	Earned income . . .	1,500	
4	Subtract line 3 from line 2 . .		800
5	Add lines 1 and 4. Enter here and on Form 1040, line 35 . .		$4,800

Note: *If Walter's itemized deductions are more than his earned income, he must complete Schedule A first.*

You Choose to Itemize

You may choose to itemize your deductions if you are:

- Married and filing a joint return, or a Qualifying widow(er) with dependent child, and your itemized deductions are more than $3,400.
- Married and filing a separate return, and your itemized deductions are more than $1,700.
- Single, or a Head of household, and your itemized deductions are more than $2,300.

If you do itemize, complete Schedule A and enter the amount from Schedule A, line 30, on Form 1040, line 34a.

Caution: *Certain taxpayers must itemize even though their itemized deductions are less than the amount shown here for their filing status. See "You MUST Itemize Deductions" on page 12.*

You Do Not Itemize

If your itemized deductions are less than the amount shown above for your filing status (or you choose not to itemize), enter zero on line 34a unless you MUST itemize as described on page 12.

Line 34b

Deduction for Charitable Contributions

For 1982, you may deduct part of your charitable contributions even if you do not itemize your deductions. Your deduction is limited to 25% of your first $100 ($50 if married filing separately) of contributions to qualified organizations. Therefore, you can deduct up to $25 ($12.50 on a separate return) on line 34b.

Include what you gave to, or for the use of, a qualified organization. Examples of qualified organizations are: churches, United Way, and nonprofit schools and hospitals.

Contributions can be cash (including checks and money orders), property, or out-of-pocket expenses paid to do volunteer work for a qualified organization.

For more details on what qualifies as a charitable contribution, see the instructions for contributions on page 19.

Use the worksheet below to figure your deduction.

Charitable Contributions Worksheet

1.	Cash contributions (including checks, money orders, receipts, or other written evidence)	
2.	Other contributions	
3.	Total. Add lines 1 and 2	
4.	Multiply the amount on line 3 by 25% (.25)	× .25
5.	Enter here and on Form 1040, line 34b **BUT NOT MORE THAN $25 ($12.50 if married filing separately)**	

Line 35

Subtract line 34a or 34b from line 33. Remember—if you completed the worksheet on page 12, the amount on line 35 will be the amount from line 5 of that worksheet (and line 35 will be more than line 33).

Line 36

Exemptions

Multiply $1,000 by the total number of exemptions you claimed on line 6e.

Line 37

Taxable Income

Subtract line 36 from line 35.

Line 38

Tax

To figure your tax, you will use one of the following methods. Read the conditions below to see which you should use.

Tax Rate Schedules

You must use the Tax Rate Schedules to figure your tax if your taxable income is $50,000 or more.

Also use the Tax Rate Schedules if you figure your tax using:

Income Averaging, Schedule G.—You may pay less tax by using this method if there has been a large increase in your income this year. In some cases you may benefit even if your 1982 income did not increase substantially. This will depend on the amount of your taxable incomes in the four base years (1978–1981). Get Schedule G to see if you qualify. Also see **Publication 506,** Income Averaging, for more details and a filled-in sample Schedule G.

Tax Table

If none of the above conditions apply to you, you MUST use the Tax Table to find your tax.

Be sure you use the correct column in the Tax Table. After you have found the correct tax, enter that amount on line 38.

There is an example at the beginning of the table to help you find the correct tax.

Note: The allowance for the zero bracket amount and the tax rate reduction have already been built into both the Tax Table and the Tax Rate Schedules for you.

Line 39

Additional Taxes

Use this line to report any of the additional taxes listed below. Check the box(es) on line 39 for the taxes that apply to you.

Form 4970, Tax on Accumulation Distribution of Trusts.

Form 4972, Special 10-Year Averaging Method.

Form 5544, Multiple Recipient Special 10-Year Averaging Method.

Section 72 penalty taxes. If you are or were an owner-employee and received income from a premature or excessive distribution from a Keogh (H.R. 10) plan or trust, you will have to pay a penalty tax of 10 percent of the distribution. Or, if you were an employee, made any deductible contributions to your employer's qualified plan, and received income from a premature distribution, you may have to pay a penalty tax. These penalties are in addition to the regular income tax. (Note: Only the credits on lines 41, 44, 45, and 47 can be used to reduce these taxes. Attach a separate sheet, showing how you applied any of these credits.) See **Publication 560,** Tax Information on Self-Employed Retirement Plans, for more details.

Residence Credit Recapture. If you claimed the credit for a new residence in 1975, and sold it in 1978, you may have to repay the credit in 1982. See **Publication 523,** Tax Information on Selling Your Home, for more details. If you must repay the credit in 1982, include it in your total for line 39. On the dotted line next to this total, please write "Residence Credit Recapture" and show the amount.

Line 40

Total

Add lines 38 and 39. Enter the total on line 40.

Credits

Line 41

Credit for the Elderly

You may be able to take this credit and reduce your tax if you are:

- Age 65 or over, or
- Under age 65 and retired under a public retirement system.

For more information, please see the instructions for **Schedules R & RP.** Enter the credit on this line.

If you want IRS to figure the credit for you, see **IRS Will Figure Your Tax and Some of Your Credits** on pages 3 and 4.

Line 42

Foreign Tax Credit

Form 1116 explains when you can take this credit for payment of income tax to a foreign country. Also see **Publication 514,** Foreign Tax Credit for U.S. Citizens and Resident Aliens. Enter the credit from Form 1116 on this line.

Line 43

Investment Credit

You are allowed a credit for investing in certain types of trade or business property. Use **Form 3468** to figure the amount of any credit. Enter the credit from Form 3468 on this line.

Line 44

Partial Credit for Political Contributions

You may take a tax credit on this line for contributions to candidates for public office and to newsletter funds and political committees of candidates and elected public officials.

Caution: Do not take this credit for the $1 or $2 you checked to go to the Presidential Election Campaign Fund.

To figure your credit, add up the amounts you gave. Enter half of this total on line 44, but do not enter more than the smaller of the following:

a. $50 ($100 if you are married and filing a joint return), or

b. The amount on line 40 reduced by the credits on lines 41, 42, and 43.

For more information, please see **Publication 585,** Voluntary Tax Methods to Help Finance Political Campaigns.

Line 45

Credit for Child and Dependent Care Expenses

You may be able to take a credit on line 45 for payments you made for child and disabled dependent care while you (and your spouse if you are married) worked or looked for work.

The credit is allowed if you kept up a home that included a child under age 15 or your dependent or spouse who could not care for himself or herself.

Please see **Form 2441** for more information, including special rules for divorced or separated taxpayers and certain employment taxes for which you may be liable.

Line 46

Jobs Credit

Business employers who hire individuals who are members of special targeted groups may qualify for this credit.

Please get **Form 5884** and **Publication 906,** Jobs and Research Credits, for more information. Also see the instructions for Form 5884 if you have a WIN credit or a WIN credit carryover.

Line 47

Residential Energy Credit

Generally, if you installed energy saving items in your principal residence during 1982, or you have an energy credit carryover from a prior tax year, you may take a credit against your tax.

Form 5695, Residential Energy Credit, tells you which energy saving items qualify and how to take the credit. Also, see **Publication 903,** Energy Credits for Individuals, for more information.

Line 48

Other Credits

Alcohol Fuel Credit

You may be able to take a credit for alcohol used as fuel. This applies to straight alcohol you sell at retail or use as fuel in your trade or business. It also applies to an alcohol mixture you sell or use as fuel in your trade or business. Use **Form 6478** to figure the credit. Please write "Alcohol Fuel Credit" in the space provided and show the amount on line 48.

Credit for Fuel from a Nonconventional Source

A credit is allowed for the sale of qualified fuels produced from a nonconventional source. See I.R. Code section 44D for a definition of qualified fuels, provisions for figuring the credit, and other special rules. Attach a separate schedule showing how you figured the credit. Please write "FNS" in the space provided and show the amount on line 48.

Credit for Increasing Research Activities

You may be able to take a credit for research and experimental expenditures paid or incurred in carrying on your trade or business. Generally, the credit is 25% of the increased research expenses after June 30, 1981. Use **Form 6765** to figure the credit. Please write "Research" and show the amount on line 48.

Line 49

Total Credits

Add lines 41 through 48. Enter the total on this line.

Line 50

Balance

Subtract line 49 from line 40 and enter the result on this line. If the amount is less than zero, enter zero.

Other Taxes

Line 51

Self-Employment Tax

If you had self-employment income in 1982, and earned under $32,400 in wages from which social security tax (FICA) or RRTA tax was withheld, you may have to pay self-employment tax. Please see **Schedule SE** and instructions. If you have to pay self-employment tax, enter the amount from Schedule SE, line 14.

Line 52

Minimum Tax

You may be liable for minimum tax if you have any of the following tax preference items:

- accelerated depreciation;
- amortization;
- reserves for bad debts of financial institutions;
- depletion; and
- intangible drilling costs.

Attach **Form 4625** and enter the tax, if any, on this line if you have:

- items of tax preference of more than $10,000 ($5,000 if married filing a separate return) even if there is no minimum tax; or
- any minimum tax liability deferred from an earlier tax year.

See **Form 4625** for more information.

Line 53

Alternative Minimum Tax

You may be liable for the alternative minimum tax if you have:

- tax preference items for adjusted itemized deductions or a capital gain deduction;
- an entry on Schedule D, line 9a, and credits on Form 1040, line 49; or
- nonbusiness credits for investment credit, WIN credit, or jobs credit.

In general, you have adjusted itemized deductions if your itemized deductions exceed 60% of your adjusted gross income.

Get **Form 6251** to see if you are liable for this tax.

Line 54

Tax from Recapture of Investment Credit

You may owe this tax if you disposed of investment credit property before the end of its useful life or recovery period.

See **Form 4255** for details. Enter any tax from Form 4255 on this line.

You may also need Form 4255 if you disposed of more than one-third of your interest in a partnership or small business corporation.

Line 55

Social Security (FICA) Tax on Tip Income Not Reported to Employer

If you received tips of $20 or more in any month and you did not report the full amount to your employer, you must pay the social security or railroad retirement tax on the unreported tips.

To figure the amount of social security tax on unreported tips, complete **Form 4137** and attach it to your Form 1040. Enter the tax on this line.

To determine the amount of railroad retirement tax on unreported tips, contact your nearest Railroad Retirement Board office. On line 55, enter the tax and next to it, write "RRTA" in the margin.

Be sure all your tips are included as income on Form 1040, line 7.

Line 56

Uncollected Employee FICA and RRTA Tax on Tips

If you did not have enough wages to cover the social security tax (FICA) or railroad retirement tax (RRTA) due on tips you reported to your employer, the amount of tax due will be shown on your **Form W–2.** Enter that amount on line 56.

Line 57

Tax on an IRA

If you have an IRA (Individual Retirement Arrangement), including an IRA under a SEP, add any taxes from **Form 5329.** Enter the total taxes on line 57.

Line 58

Advance Earned Income Credit (EIC) Payments

Enter the total of the advance earned income credit payments as shown on your Forms W–2. (The amount of earned income credit to which you are actually entitled will be figured in the worksheet to the right and entered later on line 62.)

Line 59

Total Tax

Add lines 50 through 58. Put the total on line 59.

Payments

Line 60

Total Federal Income Tax Withheld

Add the amounts shown as **Federal income tax withheld** on your Forms W–2, W–2G, and W–2P. Enter the total on this line.

Line 61

1982 Estimated Tax Payments

Enter on this line any payments you made on your estimated Federal income tax **(Form 1040–ES)** for 1982. Include any overpayment from your 1981 return that you applied to your 1982 estimated tax.

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, either of you can claim all of the amount paid. Or you can each claim a part of it. Please be sure to show both social security numbers on the separate returns.

If you or your spouse paid separate estimated tax, but you are now filing a joint income tax return, add the amounts you each paid.

Follow the above instructions even if your spouse died.

Divorced taxpayers.—If you were divorced during 1982, you may have filed a joint declaration of estimated tax with your former spouse. If so, please enter your former spouse's social security number in the block provided on the front of Form 1040. In the upper right corner of the return, above the social security numbers, write "DIV."

If you were divorced and remarried in 1982, enter your present spouse's social security number in the block provided on the front of Form 1040. Also, enter your former spouse's social security number in the upper right corner above the blocks and write "DIV" above that number.

Line 62

Earned Income Credit

What Does the Earned Income Credit Do?

The earned income credit helps many taxpayers who have incomes under $10,000. If you can take the earned income credit, you can subtract it from tax you owe or get a refund even if you had no tax withheld from your pay. The credit can go as high as $500.

To see if you can take the Earned Income Credit, answer the questions below.

	Yes	No
1. Is the amount you listed on Form 1040, line 33, less than $10,000?	☐	☐
2. Did you receive any wages, salaries, tips, or other earned income (see "What is Earned Income?" on page 16)?	☐	☐
3. Did you have a child (see **Note 1** below) who lived with you in the same principal residence in the U.S. during all of 1982?	☐	☐
4. If you checked Filing Status box 2 or box 5 on Form 1040, did you claim your child as a dependent on Form 1040, line 6c? **OR** If you checked Filing Status box 4 on Form 1040 and your child was **married** for 1982, did you claim that child as a dependent on Form 1040, line 6c? **OR** If you checked Filing Status box 4 on Form 1040 and your child was **unmarried** for 1982, did you enter that child's name on Form 1040, line 4 (or 6c if you claimed that child as a dependent)?	☐	☐

Note 1—For this purpose, the word child means:

- **Your son or daughter.**
- **Your stepchild, adopted child, or a child placed with you by an authorized placement agency for legal adoption (even if the child became your stepchild or adopted child, or was placed with you, during the year).**
- **Any other child whom you cared for as your own child for the whole year, unless the child's natural or adoptive parents provided more than half of the support for that year.**

If you answered NO to any question, you can't take the earned income credit. Do not fill in the worksheet. Instead write "NO" on line 62 of Form 1040.

If you answered YES to all the questions, you may be able to take the credit. Use the Earned Income Credit Worksheet to figure the amount of any credit.

Note 2—If you expect to answer YES to all of the above questions for 1983 and want to receive advance payments of the credit, file Form W–5 with your employer.

Earned Income Credit Worksheet

To figure your credit, follow the instructions below.

1. Enter the amount from Form 1040, line 7, plus any other compensation from your employer, regardless of whether it is taxable. Include disability pensions but **do not** include other pensions or annuities.	$
2. If you were self-employed, enter the amount, **even if a loss,** from Schedule SE, line 9. If you have self-employment income that you reported on line 1 above, do not include it here. (Clergy and religious workers, see **Publication 517)**	
3. Earned income. Add lines 1 and 2. However, if line 2 is a loss, subtract line 2 from line 1. If the amount on line 3 is $0 or less, do not complete the rest of this worksheet; you cannot take the credit. If it is more than zero, complete 4 and either 5 or 6 below.	
4. Adjusted gross income. Enter the amount from Form 1040, line 33.	
5. If line 4 above is **$6,000 or less,** use the amount from line 3 above to find your credit in the table on page 41. Enter the credit here and on Form 1040, line 62.	
6. If line 4 above is **over $6,000:** **a.** First find the amount from line 3 above in the table on page 41 and enter the credit for that amount here. $.......................... **b.** Then find the amount from line 4 in the table and enter the credit for that amount here. $..........................	▨
c. Enter the amount from line **6a** or **6b,** whichever is smaller, here and on Form 1040, line 62.	$

Do NOT file this worksheet with your return—Keep it for your tax records

What Is Earned Income?

In most cases, you had earned income if you worked last year.

Earned income includes:

- wages, salaries, and tips.
- anything else of value (money, goods, or services) you get from your employer for services you performed regardless of whether it is taxable.

Note: *The following are examples of amounts received from your employer that must be included in line 1 of the worksheet—*

a. Housing allowance (or rental value of a parsonage) for members of the clergy.
b. Meals and lodging.
c. Disability pensions that qualify for exclusion on Form 2440.

- earnings from self-employment—this is usually the amount shown on Schedule SE (Form 1040), line 9.

Earned income does not include items such as interest, dividends, social security payments, welfare benefits, veterans' benefits, workmen's compensation or unemployment compensation (insurance).

Who Can't Take the Earned Income Credit?

You can't take the credit if:

- your income is $10,000 or more; or
- you are single (Filing Status Box 1); or
- you are married filing a separate return (Filing Status Box 3); or
- you file Form 2555 to exclude income earned overseas or claim the housing deduction; or
- you file Form 4563 to exclude income earned from sources in U.S. possessions.

If you can take the credit, enter on line 62 the credit from line 5 or line 6c of this worksheet, whichever applies.

If you want IRS to figure the credit for you, see **IRS Will Figure Your Tax and Some of Your Credits** on pages 3 and 4.

Line 63

Amount Paid with Form 4868 (Extension of Time to File)

If you filed Form 4868 to get an extension of time to file Form 1040, enter the amount you paid with that form. Also include any amounts paid with Form 2688.

Line 64

Excess FICA and RRTA Tax Withheld—Two or More Employers

If you had two or more employers in 1982 who together paid you more than $32,400 in wages, too much social security tax (FICA) and railroad retirement tax (RRTA) may have been withheld from your wages. If so, you may be able to take credit for it against your income tax.

If you are filing a joint return, you must figure this separately for you and your spouse.

If you worked for two or more railroad employers, see your employer for information on how to figure your excess RRTA tax. **Do not** use this worksheet.

Please follow the steps below to see if you can take credit.

Step 1. Add all FICA tax withheld (but not more than $2,170.80 for each employer).* Enter total here.............. $________

Step 2. From Form 1040, line 56, enter all uncollected FICA tax on tips, if any.............. ________

Step 3. Add 1 and 2 above.............. ________

Step 4. Less.............. −2,170.80

Step 5. Subtract 4 from 3. Enter this amount on line 64.. $________

***Note:** *If any one employer withheld more than $2,170.80, you should ask the employer to refund the excess to you. You cannot take credit for it on your return.*

Line 65

Credit for Federal Tax on Special Fuels and Oils

If you can take a credit for tax on gasoline, special fuels, and lubricating oils used in your business (including qualified taxi cabs), please attach **Form 4136.** Enter the credit on line 65.

Line 66

Regulated Investment Company Credit

Enter on this line the total amount of the credit from **Form 2439.** Be sure to attach Copy B of Form 2439.

Overpaid Windfall Profit Tax

You may be allowed credit for overpaid windfall profit tax. Use **Form 6249** to figure the overpayment. Include this amount in your total for line 67. On the dotted line next to this total, please write "Overpaid Windfall Profit Tax" and show the amount.

Line 67

Total

Add lines 60 through 66. Include any Overpaid Windfall Profit Tax. Enter the total on line 67.

Refund or Amount You Owe

Line 68

Amount Overpaid (If line 67 is larger than line 59)

Subtract line 59 from line 67. You can choose to have all, or part, of this amount refunded to you (line 69). The remainder if any, can be applied to your estimated tax for 1983 (line 70). If line 68 is under $1, we will send you a refund only on written request.

Line 69

Refund

Enter the amount from line 68 that you want refunded to you. If your refund is large, you may want to have less income tax withheld from your pay. See the instructions on page 17 for **Income Tax Withholding for 1983.**

Line 70

Applied to 1983 Estimated Tax

Subtract line 69 from line 68. This is the amount that will be applied to your estimated tax for 1983. Enter this amount on line 70.

We will apply amounts to your account unless you attach a request to apply it to your spouse's account. The request should include your spouse's social security number.

Line 71

Amount You Owe (If line 59 is larger than line 67)

Subtract line 67 from line 59. This is the amount you owe. Enter the amount on this line.

Attach your check or money order for the full amount when you file. Make it out to "Internal Revenue Service" and be sure to write your social security number and "1982 Form 1040" on it. If line 71 is under $1, you do not have to pay.

In most cases, people who have income tax withheld from their wages will find that the amount withheld will be fairly close to their tax for the year. Sometimes it is not, and this is more likely to happen if both you and your spouse worked.

If you do owe tax for 1982, you may want to increase the amount of income tax withheld from your pay. Otherwise, you may be required to make estimated tax payments. See the instructions on page 17 for **Income Tax Withholding for 1983** and **Should You Make Estimated Tax Payments?**

Underpayment of Estimated Tax

If line 71 is $200 or more and more than 20% of the tax shown on your return, or you underpaid your 1982 estimated tax liability for any payment period, you may owe a penalty. Get **Form 2210** (Form 2210F for farmers and fishermen) to see if you meet one of the exceptions to the penalty. Please attach that form to Form 1040 to show how you figured the penalty or which exceptions you believe you meet.

If you attach Form 2210 or 2210F, be sure you check the box below line 71. If you owe a penalty, show the amount in the space below line 71.

If you owe tax, add the penalty amount to the tax due and show the total on line 71. Or, if you are due a refund, subtract the penalty amount from the overpayment you show on line 68.

Now continue with step 6 below

Step 6

Check your return to make sure it is correct.

Step 7

Sign and date your return.

Form 1040 is not considered a return unless you sign it. Your spouse must also sign if it is a joint return.

Step 8

Did you have someone else prepare your return?

If you fill in your own return, the Paid Preparer's space should remain blank. If someone prepares your return and **does not charge you**, that person **should not** sign your return.

Generally, anyone who is paid to prepare your tax return must sign your return and fill in the other blanks in the Paid Preparer's Use Only area of your return.

If you have questions about whether a preparer is required to sign your return, please contact an IRS office.

The preparer required to sign your return MUST complete the required preparer information and:

- *Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)*
- *Give you a copy of your return in addition to the copy to be filed with IRS.*

Tax return preparers should be familiar with their responsibilities. They should see **Publication 1045,** Information and Order Blanks for Preparers of Federal Income Tax Returns, for more details.

Step 9

Attachments

Attach the first copy or Copy B of **Forms W-2, W-2G,** and **W-2P** to the front of Form 1040. Attach schedules and forms in "sequence number" order. The number is just below the year in the upper right corner.

If you need more space on forms or schedules, attach separate sheets and use the same arrangement as the printed forms. But show your totals on the printed forms. Please use sheets that are the same size as the forms and schedules. Be sure to put your name and social security number on these separate sheets.

If you owe tax, be sure to attach your payment to the front of Form 1040.

Reminders

Penalties and Interest

a. Interest. Interest will be charged on taxes not paid by their due date, even if an extension of time to file is granted.

b. Late Filing of Return. The law provides a penalty of 5% of the tax due for each month, or part of a month, the return is late (maximum 25%) unless you can show reasonable cause for the delay. If you file a return late, attach a full explanation to your return. If your return is more than 60 days late, the penalty will not be less than $100 or 100% of the balance of tax due on your return, whichever is less.

c. Late Payment of Tax. The penalty for not paying tax when due is ½ of 1% of the unpaid amount for each month or part of a month it remains unpaid. The maximum penalty is 25% of the unpaid amount. The penalty applies to any unpaid tax shown on a return. It also applies to any additional tax shown on a bill that is not paid within 10 days after the date of the bill. This penalty is in addition to interest charges on late payments.

Note: *If you include interest or either of these penalties with your payment, identify and enter these amounts in the bottom margin of Form 1040, page 2. Do not include the interest or penalty amounts in* **Amount You Owe** *on line 71.*

Income Tax Withholding for 1983

If the amount you overpaid (line 68) or the amount you owe IRS (line 71) is large, please see your payroll office. Ask about filling out a new **Form W-4** to change the amount of income tax to be withheld from your wages. For example, working married couples and persons with two or more jobs often need to have more tax withheld to avoid owing a large payment when the return is filed. You may also owe more tax because you have other income on which there is no withholding such as capital gains.

If the amount you owe IRS is large, you may have to make estimated tax payments for 1983. See **Should You Make Estimated Tax Payments?**, below.

Or, if you got a large refund, get a copy of Form W-4 from your employer and read the instructions. If you are entitled to additional allowances, file a new W-4 with your employer.

If you go back to work after a period of unemployment, you may reduce the amount of income tax withheld if your employer agrees to use the part-year method of withholding. There are also other methods which could reduce your withholding.

For more details, see your employer or get **Publication 505,** Tax Withholding and Estimated Tax.

Should You Make Estimated Tax Payments?

In general, you do not have to make estimated tax payments if you expect that your 1983 Form 1040 will show a tax refund, or a tax balance due IRS of less than $300. If your total estimated tax is $300 or more, please get **Form 1040-ES.** It contains a worksheet that you can use to see if you have to make estimated tax payments.

Address Change

If you move after you file your return and you are expecting a refund, you should notify the post office serving your old address. Also notify the IRS service center where you filed your return of your address change. This will help to forward your check to your new address as soon as possible. Be sure to include your social security number in any correspondence with the IRS.

How Long Should Records Be Kept?

Keep records of income, deductions, and credits shown on your return, as well as any worksheets used to figure them, until the statute of limitations runs out for that return. Usually this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. Also keep copies of your filed tax returns as part of your records. You should keep some records longer. For example, property records (including those on your own home) should be kept as long as they are needed to figure the basis of the original or replacement property. For more details, get **Publication 552,** Recordkeeping for Individuals and a List of Tax Publications.

Amended Return

If you file your income tax return and later become aware of any changes you must make to income, deductions, or credits, file **Form 1040X**, Amended U.S. Individual Income Tax Return, to change the Form 1040, 1040A, or 1040EZ you already filed.

If your Federal return is changed for any reason, it may affect your State income tax liability. This would include changes made as a result of an examination of your return by the IRS. Contact your State tax agency for more information.

Instructions for

Schedule A

Itemized Deductions

Purpose

Some taxpayers must itemize their deductions and some should itemize because they will save money. See **You MUST Itemize Deductions** *and* **You Choose to Itemize** *on pages 12 and 13.*

If you itemize, you can deduct part of your medical and dental expenses, and amounts you paid for certain taxes, interest, contributions, casualty and theft losses, and other miscellaneous expenses. These are explained below.

If your deductions are more than 60% of the amount on Form 1040, line 33, you may be liable for the alternative minimum tax. See the instructions for line 53 on page 14 for more information.

Lines 1 through 10

Medical and Dental Expenses

Before you can figure your total deduction for medical expenses, you must complete your Form 1040 through line 33.

Only that part of your medical and dental expense that is more than 3% of your adjusted gross income on Form 1040, line 33, is deductible.

However, you may deduct one-half of your medical and dental insurance premiums, up to a maximum of $150, without reducing that amount by 3% of your adjusted gross income. Include amounts you paid for hospital, medical, and extra Medicare (Medicare B) insurance. On line 4 show total insurance

premiums you paid. Show half of your premiums, up to $150, on line 9. You can deduct the amount on line 9, even if you had no other medical expenses.

Only medicine and drug costs that are more than 1% of Form 1040, line 33, are deductible as medical expenses, subject to the 3% limitation.

Lines 1 through 10 of Schedule A explain how to deduct your medical and dental expenses. When you figure them, you can include medical and dental bills you paid for:

- Yourself.
- Your spouse.
- All dependents you list on your return.
- Any person that you could have listed as a dependent on your return if that person had not received $1,000 or more of gross income or had not filed a joint return.

Example.—You gave more than half of your mother's support but cannot list her as a dependent because she received $1,000 of wages during 1982. If part of your support was the payment of her medical bills, you can include that part in your medical expenses.

You should include all amounts you paid during 1982, but do not include amounts repaid to you, or paid to anyone else, by hospital, health or accident insurance, or your employer.

Note: *You need only list the medical expenses on line 5c and enter one total.*

Examples of Medical and Dental Payments You CAN Deduct

To the extent you were not reimbursed, you can deduct what you paid for:

- Medicine, drugs, birth control pills, vaccines, and vitamins your doctor told you to take.
- Medical doctors, dentists, eye doctors, gynecologists, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists, and psychoanalysts (medical care only).
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths the doctor ordered.
- Nursing help. If you pay someone to do both nursing and housework, you can deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, lab fees.
- Medical treatment at a center for drug addicts or alcoholics.
- Medical aids such as hearing aids (and batteries), false teeth, eyeglasses, contact lenses, braces, orthopedic shoes, crutches, wheelchairs, guide dogs and the cost of maintaining them.
- Ambulance service and other travel costs to get medical care. If you used your own car, you can claim what you spent for gas and oil to go to and from the place you received the care; or you can claim 9 cents a mile. Add parking and tolls to the amount you claim under either method.

Examples of Medical and Dental Payments You CANNOT Deduct

You cannot deduct the following:

- The basic cost of Medicare insurance (Medicare A).

Note: ***If you are 65 or over and not entitled to Social Security benefits, you may deduct premiums you voluntarily paid for Medicare A coverage.***

- Life insurance or income protection policies.
- The 1.3% hospital insurance benefits tax withheld from your pay as part of the social security tax or paid as part of social security self-employment tax.
- Nursing care for a healthy baby. (You may qualify for the child care credit; see Form 2441.)
- Illegal operations or drugs.
- Travel your doctor told you to take for rest or change.
- Funeral, burial, or cremation costs.

Publication 502, Medical and Dental Expenses, has a checklist of medical expenses that can be deducted and those that can't. It also explains when you can deduct capital expenditures and special care for handicapped persons.

Lines 11 through 15

Taxes

Taxes You CAN Deduct

• State and local income taxes (line 11)

Include on this line State and local income taxes that were withheld from your salary and any estimated payment made. Also include payments you made in 1982 on a tax for a prior year.

If you received a refund of (or credit for) prior year taxes in 1982, see the instructions for Form 1040, line 10. **Do not** reduce your itemized deductions by this amount.

• Real estate taxes (line 12)

Include taxes that you paid on property you own that was not used for business. **Publication 530,** Tax Information for Homeowners, and **Publication 588,** Condominiums, Cooperative Apartments, and Homeowners Associations, explain the deductions homeowners can take.

If you pay your real estate taxes as part of your mortgage payments, do not take a deduction for that amount. Deduct the taxes in the year the mortgage company actually paid them to the taxing authority.

• General sales taxes (line 13)

The Optional State Sales Tax Tables show how much you can deduct for your income and family size if you did not keep detailed records. You can add to the sales tax table amount the general sales tax you paid if you bought

—A car, motorcycle, motor home, or truck. (Note: Vermont (before 7/1/82) charged a higher sales tax for these than it did for other items. Figure how much tax you would have paid at the general sales tax rate and add only that amount to the sales tax table amount.)

—A boat, plane, home (including mobile or prefabricated) or materials to build a new home if:

1. The tax rate was the same as the general sales tax rate, and
2. Your sales receipt or contract shows how much tax was imposed on you and paid by you.

If you kept records that show you paid more State sales tax than the tables list, you may deduct the larger amount on line 13a. Separately show the sales tax you paid on any motor vehicle you bought during 1982 on line 13b. Include State or local selective sales or excise taxes if the rates were the same as the general sales tax rates.

The sales tax tables include income through $40,000. When you figure your income, count all available income. This includes the amount on Form 1040, line 33, plus most amounts you received that are not taxed. The instructions at the top of the first page of the table give steps to help you figure your deduction.

If your available income was more than $40,000, see the following example.

Example.—Mr. & Mrs. Green live in Virginia and have a family size of 4. Their total available income is $56,025.

Using the table for Virginia, they find the deduction for their family size (4) with income between $38,001 and $40,000. This amount is $356.

For each $5,000 or part of $5,000 in excess of $40,000, the deduction is increased by the amount on the $40,001–$100,000 line for their family size. This amount is $18. The Greens' available income exceeds $40,000 by 4 units of $5,000 (or parts of $5,000). So, they increase their sales tax deduction by ($18×4)=$72.

Their total sales tax deduction is ($356+$72)=$428. The Greens then compare this figure to the amount their receipts show they actually paid for sales tax. The Greens enter the larger figure on Schedule A, line 13a.

• Personal property taxes and other taxes (line 14)

If you had any deductible tax not listed on Schedule A, lines 11 through 13b (such as personal property or foreign income tax), you need only list the tax on line 14 and enter one total.

Personal property tax must be based on value alone. For example, if part of the fee you paid for the registration of your car was based on the car's value and part was based on its weight, you can deduct only the part based on value.

If you paid tax to a foreign country or U.S. possession, you may want to list it as a credit instead of a deduction. Please see **Publication 514,** Foreign Tax Credit for U.S. Citizens and Resident Aliens.

Taxes You CANNOT Deduct

- Federal income tax.
- Social security tax (FICA).
- Railroad retirement tax (RRTA).
- Federal excise tax on personal property, transportation, telephone, and gasoline.
- Customs duties.
- Federal estate and gift taxes. (However, see Miscellaneous Deductions on page 20.)
- Certain State and local taxes, including:

a. Tax on gasoline.

b. Car inspection fees.

c. Tax on liquor, beer, wine, cigarettes, and tobacco.

d. Assessments for sidewalks or other improvements to your property.

e. Taxes paid for your business or profession. (Use Schedule C, E, or F of Form 1040 to deduct these business taxes.)

f. Tax you paid for someone else.

g. License fees (marriage, driver's, dog, hunting, etc.).

Lines 16a through 19

Interest Expense

You should show on Schedule A interest on nonbusiness items only.

In general, a cash basis taxpayer who in 1982 paid interest that includes amounts that apply to any period after 1982 can deduct only the amount that applies for 1982.

Interest Expense You CAN Deduct

Include the interest you paid on—

- Your home mortgage (lines 16a and 16b). Report home mortgage interest paid to financial institutions on line 16a. Report home mortgage interest paid to individuals on line 16b. Also list this person's name and address.
- Bank and other general purpose credit cards. Deduct the finance charge as interest if no part of it was for service charges, membership fees, loan fees, credit investigation fees, etc. (line 17).
- Revolving charge accounts. Deduct any finance charge a retail store added if the charges are based on your monthly unpaid balance (line 17).
- Your personal note for money you borrowed from a bank, a credit union, or another person (line 18).
- Loans on life insurance if you paid the interest in cash (line 18).
- Installment contracts on personal property, such as cars and televisions.
- Taxes you paid late. Show only the interest; do not include any amount that is considered a penalty. If the tax is deductible, show it under Taxes (lines 11 through 15 of this schedule).
- Loans on investment property. Report the nonbusiness part of interest on these loans on line 18. (If your total investment interest on investment debts created after 1969 is more than $10,000 ($5,000 if married filing a separate return), you may have to complete **Form 4952,** Investment Interest Expense Deduction, to figure your correct deduction. Also see **Publication 550,** Investment Income and Expenses.)

Note: *You need only list the interest expenses on line 18 and enter one total.*

Interest Expense You CANNOT Deduct

Do not include the interest you paid for—

- Tax-exempt income. This includes interest on money you borrowed to buy or carry wholly tax-exempt securities. This also includes interest paid to purchase or carry obligations or shares, or to make deposits or other investments, to the extent any interest income received from the investment is excluded on line 6 of Schedule B (Form 1040).
- A loan on life insurance if the interest is added to the loan and you report on the cash basis.
- A debt to buy a single-premium life insurance or endowment contract.
- Any kind of business transaction. Use Schedule C, E, or F to report business interest expenses.

For more information, please get **Publication 545,** Interest Expense.

Lines 20 through 23

Contributions

You can deduct what you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You can also deduct what you gave to organizations that work to prevent cruelty to children or animals.

Examples of these organizations are:

- Churches, temples, synagogues, Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boys Club of America, etc.
- Fraternal orders, if the gifts will be used for the purposes listed above.
- Veterans' and certain cultural groups.
- Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc.
- Federal, State, and local governments if the gifts are solely for public purposes.

If you contributed to a charitable organization and also received a benefit from it, you can deduct only the amount that is more than the benefit you received.

If you do not know whether you can deduct what you gave to an organization, check with that organization or with IRS.

Contributions You CAN Deduct

Contributions can be in cash (including checks and money orders), property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described above. If you drive to and from the volunteer work, you can take 9 cents a mile or the actual cost of gas and oil. Add parking and tolls to the amount you claim under either method. (But don't deduct any amounts that were repaid to you.)

Line 20a. Enter on line 20a all of your cash contributions except those that total $3,000 or more to any one organization.

Line 20b. Enter on line 20b cash contributions totaling $3,000 or more to any one organization. Show to whom and how much you gave.

Line 21. If you gave property, state the kind of property you gave and the name of the organization you gave it to. Include the date you gave it, show how you figured its value at the time you gave it, and state whether it was capital gain or ordinary income property. If you determine the value of a gift by an appraisal, attach a signed copy of it for gifts for which you claim a deduction of over $200. For gifts valued at over $200, also attach a statement showing:

a. The address of the organization.
b. A description of the property.
c. Any conditions attached to the gift.
d. How you got the property.
e. The cost or other basis of the property if:

  1. You owned it less than 5 years, or
  2. You must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value.

f. How you figured your deduction if you chose to reduce your deduction for contributions of capital gain property.
g. If the gift was a "qualified conservation contribution" under section 170(h), also include the fair market value of the underlying property before and after the gift, the type of legal interest donated, and describe the conservation purpose furthered by the gift.

If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale.

Special rules apply if your contributions are more than 20% of Form 1040, line 33. If you gave gifts of property that increased in value, made bargain sales to charity, or gave gifts of the use of property, other rules apply.

For additional information, please get **Publication 526,** Charitable Contributions.

Contributions You CANNOT Deduct

- Political contributions (but see instructions for Form 1040, line 44).
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Cost of raffle, bingo, or lottery tickets.
- Cost of tuition.
- The value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in tangible personal property (generally, until the entire interest has been transferred).

- Gifts to:

a. Individuals.
b. Foreign organizations.
c. Groups that are run for personal profit.
d. Groups whose purpose is to lobby for changes in the laws.
e. Civic leagues, social and sports clubs, labor unions, and chambers of commerce.

Lines 24 through 27

Casualty and Theft Losses and Miscellaneous Deductions

Casualty and Theft Losses

Use line 24 to report casualty or theft loss(es) of property that is not trade, business, or income-producing property. Complete **Form 4684,** Casualties and Thefts, to figure your loss. Enter on line 24 of Schedule A the amount of loss from Form 4684. Attach Form 4684.

Losses You CAN Deduct

You may be able to deduct all or part of each loss caused by theft, vandalism, fire, storm, and car, boat, and other accidents or similar causes.

Losses You CANNOT Deduct

- Money or property misplaced or lost.
- Breakage of china, glassware, furniture, and similar items under normal conditions.
- Progressive damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease.

Use line 26 of Schedule A to deduct the costs of proving that you had a property loss. (Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.)

For more details, get **Publication 547,** Tax Information on Disasters, Casualties, and Thefts. It also gives information about Federal disaster area losses.

Miscellaneous Expenses You CAN Deduct

Business Use of Home. You can deduct expenses for business use of part of your home only if you use that part exclusively and continuously in your work and for the convenience of your employer.

See **Publication 587,** Business Use of Your Home, for detailed information.

Educational Expenses. Generally, you can deduct what you paid for education required by your employer, or by law or regulations, to keep your present salary or job. In general, you can also deduct the cost of maintaining or improving skills you must have in your present position.

You cannot deduct some educational expenses. Among them are expenses for study that helps you meet minimum requirements for your job, or qualifies you to get a new job. Also, do not deduct expenses that were repaid to you.

You must complete and attach **Form 2106,** Employee Business Expenses, if you deduct educational expenses.

For more details, see **Publication 508,** Educational Expenses.

Gambling Losses. You can deduct gambling losses, but not more than the gambling winnings you reported on Form 1040, line 21.

Income in Respect of a Decedent. You can deduct the Federal estate tax attributable to income in respect of a decedent that is ordinary income.

Employee Expenses. Examples of the expenses you can deduct (if you were not reimbursed for them) are:

- Union and professional dues (line 25a).
- Safety equipment, small tools, and supplies you needed for your job.
- Uniforms your employer said you must have, and which you cannot usually wear away from work.
- Protective clothing, such as hard hats and safety shoes.
- Physical examinations your employer said you must have.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to get a new job in your present trade or profession.

Note: *You may not have to complete* **Form 2106** *if you paid or incurred any employee business expenses other than reimbursed expenses, travel and transportation expenses, and outside salesperson's expenses. See Form 2106 for details.*

Expenses of Producing Income. You can deduct what you paid to produce or collect taxable income or to manage or protect property held for producing income.

Examples of these expenses are:

- Tax return preparation fees (line 25b).
- Safe deposit box rental.
- Certain legal and accounting fees.
- Clerical help and office rent.
- Custodial (e.g. trust accounts) fees.

Qualified Adoption Expenses. You may be able to deduct up to $1,500 of **qualified adoption expenses** you paid to adopt a child with "special needs."

A child with special needs is one who is eligible to receive payments under the Social Security Act adoption assistance program. The payments can be made if there is a specific factor, such as a medical condition that makes the child difficult to adopt without adoption assistance.

Note: *You need only list the miscellaneous expenses on line 26 and enter one total.*

Miscellaneous Expenses You CANNOT Deduct

Expenses you **cannot** deduct include:

- Political contributions (but see instructions for Form 1040, line 44).
- Legal fees for personal matters.
- Lost or misplaced cash or property.
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Expenses of going to or from work.
- Education that you need to meet minimum requirements for your job or that will qualify you for a new occupation.
- Fines and penalties.
- Expenses of producing tax-exempt income.

For more details on miscellaneous expenses, get **Publication 529,** Miscellaneous Deductions.

Lines 28 through 30

Summary of Itemized Deductions

Line 28

Add lines 10, 15, 19, 23, and 27, and write the total on line 28. Write the amount for your filing status on line 29.

Line 30

If line 28 is more than line 29, subtract line 29 from line 28 and enter the difference on Schedule A, line 30, and on Form 1040, line 34a.

Note: *You will receive the full benefit of your itemized deductions because the zero bracket amount you entered on line 29 has been built into the Tax Table and Tax Rate Schedules for you.*

If line 29 is more than line 28, write zero on Schedule A, line 30, and on Form 1040, line 34a, unless you are required to itemize deductions (see page 12 for **You MUST Itemize Deductions**). If you MUST itemize deductions, write **TC** on line 30 of Schedule A and see the instructions for line 34a on page 12.

Instructions for
Schedule B
Interest and Dividend Income

Purpose

Use Schedule B to list interest and dividend income. Part III of the schedule asks you to answer questions about foreign accounts and trusts. You must use Schedule B if you are filing Form 1040 and:

- Had more than $400 in interest,
- Had any interest from an All-Savers Certificate,
- Had more than $400 in dividends,
- Elect to exclude qualified reinvested dividends from a qualified public utility,
- Had a foreign account, or
- Were a grantor of, or transferor to, a foreign trust.

Please follow the instructions below.

Part I

Interest Income

To see what interest income you must report, read the instructions for Form 1040, line 8, on page 8.

The payer will usually send you a Form 1099–INT or similar statement showing interest you must report. If the total interest is over $400 or you had any interest from an All-Savers Certificate, fill in Part I. Also, fill in Part III of this schedule if the total interest is over $400.

Line 1

Report on line 1 the interest portion of any payments you received from an individual, based on a take-back mortgage or other form of seller financing that resulted from the sale of your home or other property. Show the payer's name and the amount of interest.

Line 2

Report on line 2 all interest (other than seller-financed mortgage interest and interest from an All-Savers Certificate) that you received or that was credited to your account so you could withdraw it. List each payer's name and show the amount of income.

Report interest from an All-Savers Certificate on line 4. However, if you redeemed an All-Savers Certificate before its maturity, report any interest received on that certificate on line 2; you cannot exclude this interest.

Line 3

Add up all the interest and show it on this line except as noted below in **Nominee and Accrued Interest.**

Nominee and Accrued Interest. When you buy bonds between interest payment dates and pay accrued interest to the seller, this interest is taxable to the seller.

Include on line 2 interest you received as a nominee (interest received in your name for someone else) or as a purchaser of a bond with accured interest. Several lines above line 3, put a subtotal of all interest income listed on line 2. Below this subtotal, write "Nominee Distribution" or "Accrued Interest" as appropriate and show the interest amounts you paid to others. Subtract these amounts from the subtotal and write the result on line 3.

Note: *If you received interest as a nominee for the actual owner, give that person* **Form 1087–INT.**

Line 4

Report interest from **All-Savers Certificates** (ASCs) on this line. List each payer's name and show the amount of income.

Early Redemptions. If you redeem any part of an ASC before its maturity, you may NOT exclude any interest received on that ASC. Instead, you must report the interest from that ASC on line 2.

If you redeem an ASC early, you must include in interest income in the year you redeem it any interest you received from that ASC and excluded in an earlier year.

If you use all or part of the certificate as collateral or security for a loan, you are treated as having redeemed the ASC.

Example.—You are single. In 1981 you bought an ASC and received $250 of interest from it, which you excluded in 1981. In 1982 you redeemed this ASC before its maturity. Since you redeemed it early, you must include on line 2 of Schedule B the $250 you excluded in 1981, as well as any additional interest you received from this ASC in 1982. However, if you buy another ASC, you can exclude up to $1,000 of interest from the new ASC.

Line 5

Add up all the ASC interest on line 4 and write it on this line. Also write this amount on line A of the ASC exclusion worksheet below.

Line 6

Exclusion of Interest from All-Savers Certificates. You can exclude up to $1,000 of ASC interest ($2,000 on a joint return, regardless of which spouse received the income). This exclusion applies to the total of all interest received from all ASCs.

Note: *On a joint return each spouse is treated as having claimed half the amount of the exclusion.*

You must reduce the maximum amount of your exclusion by the amount of any ASC interest you excluded in an earlier year.

Use the worksheet below to figure your ASC exclusion.

A. Write the amount from line 5, Schedule B . . . . ________

B. Write $1,000 ($2,000 if a joint return) . . . . ________

C. Amount of ASC interest excluded in 1981 (from line 1e of 1981 Schedule B (Form 1040) or on back of 1981 Form 1040A) . . . . ________

D. Subtract line C from line B. This is your remaining ASC exclusion . . ________

E. Compare amounts on line A and line D and write the smaller amount here and on Schedule B, line 6. This is your ASC exclusion for 1982 . . ________

Caution: *If you bought an ASC in 1981 and redeemed it in 1982 before its maturity, do NOT include on line C of the worksheet any interest received in 1981 from that ASC. See the instructions for line 4 under* **Early redemptions.**

For more details, get **Publication 550,** Investment Income and Expenses.

Line 7

Subtract line 6 from line 5.

Line 8

Add lines 3 and 7. Write the total on line 8 and also on Form 1040, line 8.

Part II

Dividend Income

To see what dividend income you must report, read the instructions for Form 1040, line 9a, on page 9.

The payer will usually send you a Form 1099–DIV or similar statement showing dividends you must report. If the total dividends are over $400, or you elect to exclude qualified reinvested dividends from a qualified public utility, fill in Part II. If the total dividends are over $400, also fill in Part III of this schedule.

Line 9

Report all of your dividend income on this line. Include cash and the value of stock, property, or merchandise you received as a dividend. If you owned shares in a mutual fund, **Publication 564,** Mutual Fund Distributions, may be helpful.

List the payer's name and show the amount of income. If the securities are held in a brokerage account, list the name of the brokerage firm as the payer. Be sure to include capital gain and nontaxable distributions on this line. They will be deducted on lines 11 and 12.

Nominees. List on line 9 all dividends you received, including dividends you received as a nominee, even if you later distributed some or all of this income to others. Several lines above line 10, put a subtotal of all dividends listed on line 9. Below this subtotal write "Nominee Distribution" and show the amounts distributed. Subtract these distributions from the subtotal and write the result on line 10.

Note: *If you received dividends as a nominee for the actual owner, give that person* **Form 1087–DIV.**

Line 10

Add the amounts you listed on line 9 except as noted above in *Nominees.* Write the total on this line.

Line 11

If you listed any capital gain distributions on line 9, add those amounts. Write the total on this line.

Line 12

Write the total of your nontaxable distributions on this line.

Line 13

Dividend Reinvestment in Stock of Qualified Public Utilities

If you choose under a dividend reinvestment plan of a qualified public utility, to receive dividends in "qualified common stock," rather than in cash or other property, you may elect to exclude up to $750 ($1,500 on a joint return) of stock dividends distributed to you in 1982. This exclusion applies only to individuals. However, it does not apply to nonresident aliens, or persons owning more than 5% of the voting power or value of stock in the distributing corporation.

Caution: *If you elect to exclude qualified reinvested dividends from a qualified public utility, you may NOT revoke the election without the consent of IRS.*

Write on line 13 the amount you are excluding in 1982. On line 9, write "DR" next to the payer's name to identify the dividend you are choosing to exclude from income.

Note: *If you exclude the value of stock received in a qualified public utility reinvestment plan, your basis in the stock is zero. For more details, see* **Publication 550.**

Line 14

Add lines 11, 12, and 13. Write the total on this line.

Line 15

Subtract line 14 from line 10. Write the total on line 15 and on Form 1040, line 9a. (Be sure to take your exclusion on line 9b.)

Part III

Foreign Accounts and Foreign Trusts

Fill in this part if you had more than $400 of interest or dividend income; if you had a foreign financial account; or if you were the grantor of, or transferor to, a foreign trust.

Line 16. Check the Yes box if either 1 or 2 below applies to you.

1. At any time during the year you had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country. *Exception:* Check **No** if any of the following apply to you.

- The combined value of the accounts was $1,000 or less during the whole year.
- The accounts were with a U.S. military banking facility operated by a U.S. financial institution.
- You are an officer or employee of a commercial bank that is supervised by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation; the account is in your employer's name; AND you do not have a personal financial interest in the account.
- You are an officer or employee of a domestic corporation with securities listed on national securities exchanges or with assets of more than $1 million and 500 or more shareholders of record; the account is in your employer's name; you do not have a personal financial interest in the account; and the corporation's chief financial officer has given you written notice that the corporation has filed a current report that includes the account.

2. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get Form 90–22.1 to see if you are considered to have an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.

If you checked **Yes** on line 16, file Form 90–22.1 by June 30, 1983, with the Department of the Treasury at the address shown on the form. Form 90–22.1 is not a tax return, so **do not** attach it to Form 1040 or file it with the IRS. But be sure to **file your Form 1040 with the IRS.**

You can get Form 90–22.1 from many IRS offices or by writing to the IRS forms distribution center for your State, as shown on the inside back cover.

Line 17. Check the **Yes** box if you were a grantor of, or a transferor to, a foreign trust that existed during the tax year.

Instructions for

Schedule D

Capital Gains and Losses

Purpose

Use Schedule D (Form 1040) to report the sale or exchange of a capital asset. See the definition of "capital asset" below.

In the following cases you have to use **Form 4797,** Supplemental Schedule of Gains and Losses, instead of Schedule D:

- The sale, exchange, or involuntary conversion (other than casualty or theft) of business property, certain depreciable and amortizable property, certain oil, gas and geothermal property, and section 126 property.
- The involuntary conversion (other than casualty or theft) of certain capital assets.
- The disposition of other noncapital assets not mentioned above.

If property is involuntarily converted because of a casualty or theft, use **Form 4684,** Casualties and Thefts.

Two publications you should find useful are **Publication 544,** Sales and Other Dispositions of Assets, and **Publication 550,** Investment Income and Expenses.

Capital Asset

Most property you own and use for personal purposes, pleasure, or investment is a capital asset. For example, your house, furniture, car, and stocks and bonds are capital assets.

A transfer of patent rights is generally considered a sale or exchange of a capital asset held for more than one year.

A nonbusiness bad debt must be treated as a short-term capital loss.

A capital asset is any property held by a taxpayer except the following:

a. Stock in trade or other property included in inventory or held for sale to customers.

b. Accounts or notes receivable you received for services in the ordinary course of your trade or business or from the sale of any property described in **(a)** or for services you performed as an employee.

c. Depreciable property used in your trade or business even if it was fully depreciated.

d. Real property (real estate) used in your trade or business.

e. A copyright, literary, musical or artistic composition, letter, memorandum, or similar property

1. created by your personal efforts, or
2. prepared or produced for you (in the case of a letter, memorandum, or similar property), or
3. that you received from a taxpayer mentioned in **1** or **2**, in a way (such as by gift) that entitled you to the basis of the previous owner.

f. U.S. Government publications (including the Congressional Record) that you received from the government other than by purchase at the normal sales price, or that you got from another taxpayer who had received it in a similar way if your basis is determined by reference to the previous owner.

g. Certain government obligations acquired before June 24, 1981, issued at a discount, payable without interest, and maturing at a fixed date not more than one year from the date of issue.

Short-Term or Long-Term

When you list your capital gains and losses, separate them according to how long you held or owned the property. The holding period for determining long-term capital gains and losses is more than one year.

When you figure the length of the period you held property, begin counting on the day after you got the property and include the day you disposed of it.

Capital Losses

The limit on capital losses that can be applied against other income after offsetting capital gains is $3,000. If you are married and filing separately, the limit is $1,500.

Unused capital losses are carried over to later years until fully used. If any of your capital losses are from before 1970, use Form 4798, Carryover of Pre-1970 Capital losses, Part II to figure your capital loss carryovers. If all of your capital losses are from after 1969, use Schedule D, Part V to figure your capital loss carryovers. You will need certain lines from those parts when you prepare your 1983 tax return. However, you need not fill in those parts on the form you mail to Internal Revenue Service.

Losses That Are Not Deductible

Do not deduct a loss from the sale or exchange of property directly or indirectly between any of the following:

- Members of a family.
- A corporation and an individual or a fiduciary owning more than 50 percent of the corporation's stock (not counting liquidations).
- A grantor and a fiduciary of a trust.
- A fiduciary and a beneficiary of the same trust.
- A fiduciary and a fiduciary or beneficiary of another trust created by the same grantor.
- An individual and a tax-exempt organization controlled by the individual or the individual's family.
- A partnership and a partner owning directly or indirectly more than 50 percent of the capital interest, or profits interest in the partnership (other than a sale or exchange of an interest in the partnership).

If you sell or otherwise dispose of (1) an asset used in an activity to which the "at risk" rules apply or (2) any part of your interest in an activity to which the "at risk" rules apply (see I.R. Code section 465), combine the gain or loss on the disposition with the profit or loss from the activity. If you have a net loss, you may be subject to the "at risk" provisions.

Items for Special Treatment and Special Cases

The following items may require special treatment.

- Transactions by a securities dealer.
- Wash sales of stock or securities.
- Bonds and other evidence of indebtedness if an original issue discount is a factor.
- Gain from sale or exchange of certain short-term government obligations acquired after 6/23/81.
- Certain real estate subdivided for sale which may be considered a capital asset.
- Distributions received from an employee pension, profit-sharing, or stock bonus plan. (See **Form 4972,** Special 10-Year Averaging Method, or **Form 5544,** Multiple Recipient Special 10-Year Averaging Method. Also, see **Publication 575,** Pension and Annuity Income.)
- Gain on the sale of depreciable property between husband and wife or between shareholder and a controlled corporation treated as ordinary gain.

- Gain on disposition of stock in a Domestic International Sales Corporation.
- Gain or loss on options to buy or sell, including closing transactions.
- Transfer of property to a foreign corporation as paid-in surplus or as a contribution to capital, or to a foreign trust or partnership.
- Transfer of property to a partnership which would be treated as an investment company if the partnership were incorporated.

For rules on nontaxable exchanges, gifts of property, and inherited property, please see **Publication 544,** Sales and Other Dispositions of Assets.

Transfer of Appreciated Property to a Political Organization

If you transfer property to a political organization when the fair market value of the property is more than your adjusted basis, treat the transaction as a property sale on the transfer date. Report the fair market value of the property at the time of the transfer as the sales price. Ordinary income or capital gains provisions apply as if a sale took place.

Exchange of Like-Kind Property

Report the exchange of "like-kind" property on Schedule D or on Form 4797, whichever applies. You must report it even though no gain or loss is recognized when you exchange business or investment property for property of "like kind." (This does not include stock in trade or other property held primarily for sale. It also does not include stocks, bonds, notes, choses in action, certificates of trust or beneficial interest, or other securities or evidences of indebtedness or interest.)

If you use Schedule D, identify in column a, the property you disposed of. Enter the date you acquired it in column b, and the date you exchanged it in column c. Write "like-kind exchange" in column d. Enter the cost or other basis in column e. Enter zero in columns f and g.

Sale or Exchange (Other Than Involuntary Conversion) of Capital Assets Held for Personal Use

This type of gain is a capital gain. Report it on Schedule D, Part I or Part II. Loss from the sale or exchange of this property is not deductible.

Small Business Stock

Subject to limitations, you may deduct the loss on the sale, exchange, or worthlessness of Small Business (section 1244) stock as an ordinary loss on Form 4797. However, gains are reported as capital gains on Schedule D (Form 1040).

Disposition of Partnership Interest

A sale or other disposition of an interest in a partnership may result in ordinary income. Please see **Publication 541,** Tax Information on Partnerships, and **Publication 544,** Sales and Other Dispositions of Assets.

Long-term Capital Gains from Regulated Investment Companies

Include in income as a long-term capital gain the amount(s) shown on Form 2439 that represents your share of the undistributed capital gains of a regulated investment company. Enter the tax paid by the company as shown on Form 2439 on Form 1040, line 66. Add to the basis of your stock, the excess of the amount included in income over the credit.

Sale of Residence

Use Form 2119, Sale or Exchange of Principal Residence, to report a gain from the sale of your principal residence whether or not you bought another one. For more information, see **Publication 523,** Tax Information on Selling Your Home.

Installment Sales

If you sold property at a gain, and are to receive any payment in a tax year after the year of sale, you must use the installment method and Form 6252, Computation of Installment Sale Income, unless you elect not to. Also use Form 6252, if you received a payment in 1982 from a sale made in an earlier year on the installment method.

If you want to elect out of the installment method, you must do the following on a timely filed return (including extensions):

(1) Report the full amount of the sale on Schedule D.

(2) If you received a note or other obligation and are reporting it at less than face value (including all contingent payment obligations), complete Part IV. If more than one, enter the amounts separately in the spaces in Part IV.

Investment Interest Expense Deduction Adjustment

If you have an entry on Form 4952, line 20 and Schedule D, line 20 (or Form 4798, line 8), part or all of Form 4952, line 20 may be treated as ordinary income.

Determine the ordinary income for Schedule D or Form 4798 as follows:

Step 1—In a separate computation reduce Form 4952, line 20 to the amount by which line 15 of that form is more than the sum of lines 16 through 19 of that form.

Step 2—Ordinary income will be the smaller of step 1 or Schedule D, line 20 (or Form 4798, line 8).

Enter the ordinary income in the margin to the right of Schedule D, line 20 (or Form 4798, Part I, line 8). Identify by writing next to it: "From Form 4952." Subtract the ordinary income from the gain on Schedule D, line 20 (or Form 4798, Part I, line 8). In addition, enter the ordinary gain on Form 4797, Part II, line 9. If you do not use Form 4797 for other transactions, enter it on Form 1040, line 15, and identify it in the margin as "From Form 4952."

Regulated Futures Contracts and Straddle Positions

Generally, regulated futures contracts open at the end of the year, or terminated during the year are treated as 60% long-term and 40% short-term regardless of how long the contracts were held. In addition, losses from straddle positions are not allowed if the wash sale rules apply or are deferred to the extent of any unrealized gains on open offsetting positions. Use Form 6781, Gains and Losses From Commodity Futures Contracts and Straddle Positions, to report gains and losses from regulated futures contracts and straddles.

Specific Instructions

Note: *If you attach your own schedule to show detail of gain or (loss), enter on Schedule D, lines 4 and 11, the total gain and the total loss. Do not combine the total gain with the total loss.*

Column d

Sales Price Less Expense of Sale

Enter in this column the selling price of the property sold. Reduce this by any expense of sale such as broker's fee, commission, etc.

Column e

Cost or Other Basis, as Adjusted

In general, the cost or adjusted basis is the cost of the property plus purchase commissions, improvements and minus depreciation, amortization, and depletion. If you inherited the property or got it as a gift, tax-free exchange, involuntary conversion, or "wash sale" of stock, you may not be able to use the actual cash cost as the basis. If you do not use cash cost, attach an explanation of your basis.

When selling stock, adjust your basis by subtracting all the nontaxable distributions you received before the sale. This includes nontaxable dividends from utility company stock and mutual funds. Also adjust your basis for any stock splits.

The basis of property acquired by gifts made before 1977, generally is the basis of the property in the hands of the donor plus any gift taxes paid on the gift. For gifts made after 1976, only the gift tax on the appreciation in value to the time of the gift is added to the basis of the property in the hands of the donor.

The basis of property acquired from a decedent is generally the fair market value at the date of death.

If a charitable contribution deduction is allowed because of a sale of property to a charitable organization, the adjusted basis for determining gain from the sale is an amount which has the same ratio to the adjusted basis as the amount realized has to the fair market value.

For more information see **Publication 551,** Basis of Assets.

Line 6

Short-Term Capital Loss Carryover From Years Beginning After 1969

Enter the amount from your 1981 Schedule D (Form 1040), line 41 or 1981 Form 4798, Part II, line 20.

Line 17

Long-Term Capital Loss Carryover From Years Beginning After 1969

Enter the amount from your 1981 Schedule D (Form 1040), line 47 or 1981 Form 4798, Part II, line 26.

Note: *If you used Form 4798 in 1981 and had an entry in Part II, lines 17 or 23, use Form 4798 in 1982 instead of completing Schedule D, Parts III or V.*

Line 24 (iii)

(or Form 4798, Part I, line 30c)

Taxable Income, as Adjusted

Figure your taxable income, as adjusted, with a separate calculation. Do this in the following way:

a. Figure the amount from Form 1040, line 35, without regard to gains and losses from sales or exchanges of capital assets.

b. Subtract from the amount in a. one of the following:

1. $2,300 if you are filing as single or head of household.
2. $3,400 if you are married and filing jointly or if you are a qualifying widow(er) with a dependent child.
3. $1,700 if you are married and filing separately.

Instructions for

Schedule E

Supplemental Income

Purpose

Use Schedule E to report income (or loss) from rents and royalties, partnerships, estates and trusts, and small business corporations.

Note: *If you attach your own schedules to report income (or loss) from any of these sources, use the same format as the Schedule E. Enter separately on Schedule E the total of net income and the total of net loss for each part. DO NOT combine the total of net income with the total of net loss on the separate schedules.*

"At Risk" Rules (Parts I and II)

Generally, the special "at risk" rules of section 465 of the Internal Revenue Code apply to all activities except real estate (other than mineral property). The "at risk" rules may apply to a member of a partnership or joint venture; shareholder in a small business corporation; beneficiary of an estate or trust; or lessor of certain property. The "at risk" rules only apply if you have a loss from an activity carried on as a trade or business or for the production of income. Generally, the amount you have "at risk" limits the loss you can deduct for any tax year.

You are generally considered "at risk" for an activity for the cash and the adjusted basis of other property you contributed to the activity, and any amounts borrowed for use in the activity for which you are personally liable.

Your "at risk" amount does not include the proceeds from your share of any nonrecourse loan used to finance the activity or the acquisition of property used in the activity. However, you are "at risk" to the extent of the net fair market value of your own property (not used in the activity) that secures borrowed amounts for which you are not liable. Generally, for any "at risk" activity described in section 465(c), you are not "at risk" for any amount that is protected against loss by a guarantee, stop-loss agreement, or similar arrangement. In addition, for the activities described in section 465(c)(1), you are not "at risk" for borrowed amounts from a person who is related to you under section 267(b).

If you have amounts not "at risk" for an activity and you share in the loss for that activity, you must figure the allowable loss to report on Schedule E. Partners, beneficiaries, and shareholders should get a separate statement of income, expenses, deductions, and credits for each activity.

If you sell or otherwise dispose of (1) an asset used in an activity to which the "at risk" rules apply or (2) any part of your interest in an activity to which the "at risk" rules apply (see I.R. Code section 465), combine the gain or loss on the sale or disposition with the profit or loss from the activity to determine your net profit or loss from the activity. If you have a net loss, it may be limited because of the "at risk" rules.

- Part I—Enter in the appropriate column(s) on line 20 the loss from the activity or the amount "at risk" for the activity, whichever is smaller. If your "at risk" amount is smaller than zero, enter zero.
- Part II—Enter in column (c) the loss from the activity or the amount "at risk" for the activity, whichever is smaller. If your "at risk" amount is smaller than zero, enter zero.

Any loss from an activity not allowed for the tax year is treated as a deduction allocable to the activity in the next tax year.

Part I

Rent and Royalty Income or Loss

Generally, you should use this part to report rent and royalty income. Report rents from property you own or control, including room and other space rentals. However, if you provided services to the renter, or if your business was selling real estate, report the income on Schedule C. For more information on rental income and expenses, see **Publication 527,** Rental Property.

Report royalties from oil, gas, or mineral properties, copyrights, and patents. If you hold an operating oil, gas, or mineral interest, report gross income and expenses on Schedule C.

If you use Part I to report rent and royalty income, enter your rent and royalty expenses for each property in the appropriate columns on lines 4 through 16.

Your share of any loss from an activity except real estate (other than mineral property) for the tax year may be allowed only for the total amount that you are "at risk" for the activity at the close of the tax year.

Rent

If you were not in the real estate sales business and you received rent from property you own or control, report it on line 3a. If you received services or property, instead of money, as rent, report its fair market value.

You can deduct an amount for the depreciation of rental property. You can also deduct all normal expenses, such as taxes, interest, repairs, insurance, maintenance, and agent's commissions. If your total interest on investment debts created after 1969, including investment interest from all other sources is more than $10,000 ($5,000 if married filing separately), see **Form 4952,** Investment Interest Expense Deduction.

Do not deduct the value of your own labor. Do not deduct capital investments or improvements; instead add these to the basis of the property for depreciation. Example: A landlord can deduct the cost of minor repairs, but not the cost of major improvements, such as a new roof.

Did You Rent Out Part of Your Home?

If you rent out only part of your home or other property, deduct the part of your expenses that apply to the rented part. If you do not know the exact amount of these expenses, figure out what share of the total expenses applied to the rented part. Example: You rent out one-quarter of your home and live in the other part. Deduct depreciation on only one-quarter of the home. Deduct any other expenses that apply to the rented part.

Did You Rent Out a Vacation Home or Other Recreational Unit?

Generally, you may deduct only those expenses which apply to the time that the vacation home or other recreational unit is rented out. Also, if you or your family used the property as a residence, certain expenses cannot be more than the gross rental income. Only interest, taxes, and casualty losses do not have to be limited. Generally, a vacation home or other recreational unit is used as a residence if you or your family used it for personal purposes for more than the greater of:

a. 14 days, or

b. 10% of the number of days during 1982 that the property was actually rented out at a fair rental.

A day of personal use is any day, or part of a day, that the unit is used—

- for personal purposes by you, your family, or any other person who has an interest in it, or
- by anyone under an arrangement that lets you use some other dwelling unit, or
- by anyone at less than fair rental.

Rental of a vacation home or other recreational unit to a family member will not be treated as personal use of the unit by you if the unit is rented at fair rental to your relative as that person's residence.

If you used the property as a residence and rented it out for less than 15 days, you may not deduct any rental expenses. However, if you itemized your deductions, you may deduct any interest, taxes, and casualty losses on Schedule A (Form 1040). You do not have to report the rental income.

Your family includes only your brothers, sisters, half brothers, half sisters, spouse, ancestors (parents, grandparents, etc.), and lineal descendants (children, grandchildren, etc.).

A vacation home or other recreational unit is a *dwelling unit,* such as a house, apartment, condominium, mobile home, boat, or similar property. For information on how to figure deductible expenses, see **Publication 527.**

Royalties

Report on line 3b royalties from oil, gas, or mineral properties; copyrights; and patents, not including operating oil, gas, or mineral interests. Under certain circumstances, you can treat amounts received as "royalties" for transfer of a patent or amounts received on the disposal of coal and iron ore as the sale of a capital asset. For more information, please get **Publication 544,** Sales and Other Dispositions of Assets.

If State or local taxes were withheld from oil or gas payments you received, enter on line 3b the gross amount of royalty, and include the taxes withheld by the producer on line 13.

DO NOT include on line 13 the amount of windfall profit taxes actually withheld in 1982. Instead, enter that amount in Part III, line 35.

Rental Income From Farm Production or Crop Shares

Report farm rental income and expenses on **Form 4835,** Farm Rental Income and Expenses and Summary of Gross Income From Farming or Fishing, if you meet these two tests:

a. You received rental income that was based on crops or livestock produced by the tenant.

b. You did not manage or operate the farm to any great extent.

Note: *For estimated tax penalty rules income received from your share of crops and rental based on farm production is considered income from farming.*

If you use Form 4835, enter on line 24 of Schedule E the net farm rental profit or (loss) from Form 4835, line 50.

Certified Historic Structures

If you own a certified historic structure and pay or incur certain capital expenditures to rehabilitate it, special rules apply. See **Publication 535,** Business Expenses, for more information.

Part II

Income or Losses from Partnerships, Estates or Trusts, or Small Business Corporations

Partnerships

If you are a member of a partnership or joint venture, include in this part your share of the partnership income (whether you received it or not) or net loss for the partnership tax year that ends during the year covered by your return.

Part or all of your share of partnership income or loss from the operation of the business may be considered net earnings from self-employment that must be reported on Schedule SE. Enter the amount from Schedule K–1 (Form 1065), line 18b, on Schedule SE, Part I. For more details, get **Publication 541,** Tax Information on Partnerships.

Your share of any loss from an activity for the tax year may be allowed only for the total amount that you are "at risk" for the activity at the close of the tax year.

For more information for this part, please see copy C of Schedule K–1 (Form 1065), Partner's Share of Income, Credits, Deductions, etc.

Estates and Trusts

If you are a beneficiary of an estate or trust, report your taxable part of the income (whether you received it or not) as follows:

- Interest income from All-Savers Certificates—see Schedule K–1 (Form 1041) instructions for details.
- Dividends qualifying for the dividend exclusion—enter on Schedule B (Form 1040), Part II, line 9. If total dividends received from all sources are $400 or less, enter the total on Form 1040, line 9a. Do not list them on Schedule B.
- Short-term capital gains—Schedule D.
- Long-term capital gains—Schedule D.
- Other taxable income less deductions—Schedule E, Part II.

For more information, contact the fiduciary or see Schedule K–1 (Form 1041).

Include your share of tax preference items on **Form 4625,** Computation of Minimum Tax—Individuals.

Your share of any loss from an activity for the tax year may be allowed only for the total amount that you are "at risk" for the activity at the close of the tax year.

A U.S. person who transferred property to a foreign trust may have to include the income resulting from it in income if, during 1982, the trust had a U.S. beneficiary. For more information, see **Form 3520–A,** Annual Return of Foreign Trust With U.S. Beneficiaries.

Small Business Corporations

If you are a shareholder in a small business corporation that elected to have its current taxable income taxed to its stockholders, you should report:

- Actual dividend distributions (whether taxable as ordinary income or long-term capital gain) as dividend income in Schedule B (Form 1040), Part II, line 9.

Subtract from the actual dividend distribution the nondividend (distribution of previously taxed income) part on Schedule B, Part II, line 12, and the long-term capital gain on Schedule B, Part II, line 11. Also include the long-term capital gain part on Schedule D.

- Constructive dividends reported to you on Schedule K–1 (Form 1120S) as ordinary income or (loss), in Schedule E, Part II.
- Constructive dividends reported to you on Schedule K–1 (Form 1120S) taxable as long-term capital gain on Schedule D.

If you are a shareholder claiming a deduction for a net operating loss, attach to your return a computation of the adjusted basis of your stock in the corporation and the adjusted basis of any debt the corporation owes you. Your net operating loss deduction is limited to that amount.

Your share of any loss from an activity for the tax year may be allowed only for the total amount that you are "at risk" for the activity at the close of the tax year.

Part III

Specific Instructions

Caution: *If you are a member of a partnership, the amounts entered on lines 34 and 35 may affect your net earnings from self-employment on Schedule SE.*

Line 34

In certain situations, you must report as income on line 34 the amount of any credit or refund of overpaid windfall profit tax you received in 1982 for tax year 1981, based on overwithholding or the net income limitation.

In general, the amount of credit or refund you received is income to the extent you deducted windfall profit tax withheld in 1981 on Schedule E, and received a tax benefit for the deduction on your 1981 tax return.

DO NOT include as income the amount of any royalty owner's credit claimed for tax year 1981.

Line 35

If you are a cash method taxpayer, deduct on line 35 the amount of windfall profit tax actually withheld in 1982.

Part IV

Line 38

Enter on this line your share of gross farming and fishing income from partnerships, estates and trusts, and as shown on Form 4835.

You will not be charged a penalty for underpayment of estimated tax if you meet the following tests:

- your gross farming or fishing income for 1981 or 1982 is at least two-thirds of your gross income, and
- you file your 1982 tax return and pay the tax due by March 1, 1983.

Part V

Depreciation

You can deduct an amount each year for assets you buy to use in your business or hold to produce investment income. The allowance does not apply to land and personal assets.

Generally, you MUST use the Accelerated Cost Recovery System (ACRS) for all assets you place in service after December 31, 1980.

You cannot use ACRS for:

- assets placed in service before January 1, 1981,
- certain public utility property,
- certain property acquired from related persons, and
- property acquired in certain nonrecognition transactions.

Use Part V to figure your depreciation only if you **did not** place any assets in service after December 31, 1980. For more space, use **Form 4562,** Depreciation and Amortization.

However, if you placed any assets in service after December 31, 1980, use Form 4562 to figure your deduction for ALL assets. Enter in Part I, line 18, the amount from Form 4562, Part I.

Please get **Publication 534,** Depreciation, for more information.

Instructions for

Schedule C

Profit or (Loss) From Business or Profession

Purpose

If you operated a business or practiced a profession, complete Schedule C. If you had more than one business, or if you and your spouse had separate businesses, you must complete a Schedule C for each business. Farmers should use **Schedule F.**

For expenses that are part business and part personal, deduct only the business part. For example, if only half of your car usage was for business, deduct only half of the cost of operating the car.

Deduct interest, taxes, and casualty losses not related to your business as itemized deductions on **Schedule A.**

Report sales, exchanges, and involuntary conversions (other than casualty or theft) of trade or business property on **Form 4797,** Supplemental Schedule of Gains and Losses.

Use **Form 4684,** Casualties and Thefts, to report a casualty or theft involving trade or business, or income-producing property.

You must pay social security self-employment tax on income from any trade or business unless you are specifically excepted. Please see **Schedule SE.**

If you need more information about business income and expenses, get **Publication 334,** Tax Guide for Small Business.

Information Returns

You may have to file information returns for wages paid to employees, certain payments of fees and other non-employee compensation, interest, rents, royalties, annuities, and pensions. For more information, see instructions for **Form W–3,** Transmittal of Income and Tax Statements, and **1096,** Annual Summary and Transmittal of U.S. Information Returns.

Item A

Main Business Activity and Product

Report the business activity that accounted for the most income included on Schedule C, Part I, line 1a. Give the general field as well as the product or service. For example, "wholesale—groceries" or "retail—hardware."

Item C

Employer Identification Number

You don't need an employer identification number unless you had a Keogh (H.R. 10) plan or were required to file an employment, excise, or alcohol, tobacco, and firearms tax return.

Item D

Business Address

Use your home address only if you actually conducted the business from your home. You should show a street address instead of a box number.

Item E

Accounting Method

You must use the cash method on your return unless you kept account books. If you kept such books, you can use the cash method, accrual method, or in some cases, the completed contract or percentage-of-completion method. The method used must clearly reflect your income.

To change your accounting method (including the treatment of any item such as inventories or bad debts), you must usually first get the permission of the Commissioner of Internal Revenue. File **Form 3115** within the first 180 days of the tax year in which you want to make the change.

If you use the **cash method,** show all items of taxable income actually or constructively received during the year (in cash, property, or services). Also show amounts actually paid during the year for deductible expenses. Income is constructively received when it is credited to your account or set aside for you to use.

If you use the **accrual method,** report income when you earn it and deduct expenses when you incur them, even if you do not pay them during the tax year.

Item F

Valuation Methods

Your inventories can be valued at:

- cost,
- cost or market value, whichever is lower, or
- any other method approved by the Commissioner of Internal Revenue.

Item H

Business Use of Your Home

Within certain limits, you may deduct business expenses that apply to a part of your home **only** if that part is exclusively used on a regular basis:

a. as your principal place of business for any of your trades or businesses, or

b. as a place of business used by your patients, clients, or customers to meet or deal with you in the normal course of your trade or business, or

c. in connection with your trade or business if it is a separate structure that is not attached to your home.

You may also deduct expenses that apply to space within your home if it is the **only** fixed location of your trade or business. The space must be used on a regular basis to store inventory held for use in your trade or business of selling products at retail or wholesale.

If you use space in your home on a regular basis in your trade or business of providing day care service, you may be able to deduct the business expenses even though you also use the same space for nonbusiness purposes.

Please get **Publication 587,** Business Use of Your Home, for more information.

Part I

Income (Lines 1 through 5)

Line 1a Gross Receipts or Sales

Enter gross receipts or sales from your business.

Installment Sales. If you use the installment method of reporting sales income, please attach a schedule showing separately for 1982 and the three preceding years: gross sales; cost of goods sold; gross profit; percentage of gross profits to gross sales; amounts collected; and gross profits on amounts collected.

Line 1b Returns and Allowances

You should enter on line 1b such items as returned sales, rebates, and allowances from the sales price.

Line 2

Cost of Goods Sold and/or Operations

Cost of Goods Sold. If you engaged in a trade or business in which the production, purchase, or sale of merchandise was an income-producing factor, merchandise inventories must be taken into account at the beginning and end of your tax year. Enter the amount from Schedule C–1, line 8.

Cost of Operations (Inventories Not an Income-Producing Factor). If the amount on line 2 includes the cost of operations, complete the appropriate lines on Schedule C–1.

Line 4a

Income from Overpaid Windfall Profit Tax

In certain situations, you must report as income on line 4a the amount of any credit or refund of overpaid windfall profit tax you received in 1982 for tax year 1981, based on overwithholding or the net income limitation.

In general, the amount of credit or refund you received is income to the extent you deducted windfall profit tax withheld in 1981 on Schedule C, and received a tax benefit for the deduction on your 1981 tax return.

Line 4b Other Income

Include finance reserve income, scrap sales, amounts recovered from bad debts, interest, and other kinds of miscellaneous income from the business or profession.

Part II

Deductions (Lines 6 through 30)

Line 7

Bad Debts from Sales or Services

Caution: *Cash method taxpayers are not entitled to a bad debt deduction unless the amount was previously included in income.*

Include debts and partial debts arising from sales or services that were included in income and are definitely known to be worthless. Instead of this, you may deduct a reasonable amount that was added during the tax year to a bad debt reserve.

If you later collect a debt that you deducted as a bad debt, include it as income in the year you collect it unless you use the bad debt reserve method. For more information, please get **Publication 548,** Deduction for Bad Debts.

Line 9 Car and Truck Expenses

You can deduct the actual cost of running your car or truck, or take the fixed mileage rate. You must use actual costs if you use more than one vehicle in your business. If you deduct actual cost, show depreciation on line 12.

The fixed rate is figured at 20 cents a mile up to 15,000 miles, and 11 cents for each mile after that. Add to this amount your parking fees and tolls.

For cars and trucks that have been fully depreciated, the rate is 11 cents a mile.

If you use the fixed rate, the vehicle is considered to have a useful life of 60,000 miles of business use at the maximum fixed mileage rate.

Note: *If you place a car or truck in service after December 31, 1980, and take the fixed mileage rate, you are treated as having elected to exclude this vehicle from ACRS.*

For more details, get **Publication 463,** Travel, Entertainment, and Gift Expenses.

Note: *If you use certain highway trucks, truck-trailers, tractor-trailers, or buses in your trade or business, you may have to pay a Federal highway use tax on these vehicles. Get* **Form 2290,** *Federal Use Tax Return on Highway Motor Vehicles, to see whether you are subject to the tax.*

Line 11 Depletion

Enter your total deduction for depletion on this line. If you claim a deduction for timber depletion, please attach **Form T.**

Line 12 Depreciation, Including Section 179 Expense Deduction

You can deduct an amount each year for assets you buy to use in your business or hold to produce investment income. The allowance does not apply to stock in trade, inventories, land, and personal assets.

Generally, you MUST use the Accelerated Cost Recovery System (ACRS) for all assets you place in service after December 31, 1980.

You cannot use ACRS for:

- assets placed in service before January 1, 1981,
- certain public utility property,
- certain property acquired from related persons, and
- property acquired in certain nonrecognition transactions.

Figure your depreciation deduction on **Form 4562,** Depreciation and Amortization. Enter on line 12 of Schedule C the amount from Form 4562, Part I.

Election to Expense Certain Recovery Property (section 179). For tax years beginning in 1982, you may choose to expense part of the cost of recovery property you bought in 1982 for use in your business. You may deduct up to $5,000 ($2,500 if married filing separately) of the cost of recovery property that would otherwise qualify for investment credit. However, you may not depreciate or amortize the same costs, or take an investment credit for the costs. Only property used in your trade or business qualifies for the deduction.

Use **Form 4562,** to figure your deduction. Include on line 12 of Schedule C the amount from Form 4562, Part I.

Please get **Publication 534,** Depreciation, for more information.

Line 14

Employee Benefit Programs

Enter the amount of your contributions that are not an incidental part of a pension or profit-sharing plan included on line 21. Also include here contributions to insurance, health, and welfare programs.

Line 17

Interest on Business Indebtedness

If you paid interest for years after 1982, deduct only the part you paid for 1982.

Don't take a deduction on Schedule C for interest you paid or accrued on debts from buying or carrying investment property. Deduct this interest on Schedule A. For more information, see **Publication 550,** Investment Income and Expense.

Line 21

Pension and Profit-Sharing Plans

You should enter the amount you claim as a deduction for contributions to a pension, profit-sharing, or annuity plan, or plans, for the benefit of your employees. If the plan includes you as a self-employed person, you should enter contributions made as an employer on your behalf (but not voluntary contributions you made as an employee) on Form 1040, line 26, instead of on Schedule C, line 21.

Generally, you are required to file one of the following forms if you maintain a pension, profit-sharing, or other funded deferred compensation plan (other than a Simplified Employee Pension) whether or not it qualified under the Internal Revenue Code and whether or not you claimed a deduction for the current tax year.

Form 5500.—Complete this form for each plan with 100 or more participants.

Form 5500–C, 5500–K, or 5500–R.—Complete the applicable form for each plan with less than 100 participants.

The Employee Retirement Income Security Act of 1974 imposes a penalty for failure to timely file these forms.

Note: *Only one return is required to be filed for the plan of a group of businesses under common control or a multiemployer-collectively-bargained plan. Individual participating employers or contributing employers are not required to file separately.*

If you need help, get **Publication 560,** Tax Information on Self-Employed Retirement Plans.

Line 23 Repairs

You can deduct the cost of repairs including labor, supplies, and other items that do not add to the value or increase the life of the property. Do not deduct the value of your own labor. And do not deduct amounts you spent to restore or replace property. They are chargeable to capital accounts or to depreciation reserve, depending on how depreciation is charged on your books. However, see the instructions for line 12 of Schedule C.

You can elect to treat as a current expense up to $25,000 spent to remove architectural and transportation barriers to the handicapped and elderly. For more information, get **Publication 535.**

Line 26 Travel and Entertainment

You can deduct all ordinary and necessary travel and entertainment expenses paid or incurred in your trade or business.

However, you cannot deduct any expense paid or incurred for a facility (such as a yacht or hunting lodge) that is used for any activity that is usually considered entertainment, amusement, or recreation. Note: You may be able to deduct the expense if the amount is treated as compensation and reported on Form W–2 for an employee or Form 1099–NEC for an independent contractor (See **Publication 463** for more details.)

Foreign Conventions. Generally, you cannot deduct expenses for attending a foreign convention unless it is directly related to your trade or business and it is "as reasonable" for the meeting to be held outside the North American area or Jamaica as within it. (For the definition of "North American area," see **Publication 463.**) These rules apply to employers as well as to employees.

Factors to consider in determining reasonableness include:

a. The purpose of the meeting and the activities taking place at the meeting;

b. The purpose and activities of the sponsoring organizations or groups;

c. The residences of the active members of the sponsoring organization and the places at which other meetings of the sponsoring organization or groups have been or will be held; and

d. Other relevant factors you may present.

You cannot deduct expenses for attending meetings held on cruise ships, including those sailing within the territorial waters of the United States.

For more details, get **Publication 463.**

Line 28 Wages

Enter on line 28a the total salaries and wages (other than salaries and wages deducted elsewhere on your return) paid or incurred for the tax year. Do not include any amount paid to yourself.

Enter on line 28b, the jobs credit from **Form 5884.** Subtract line 28b from wages shown on line 28a and enter the balance on 28c.

For more details, please get **Publication 906,** Jobs and Research Credits.

Line 29 Windfall Profit Tax Withheld

If you hold an operating oil, gas, or mineral interest, and you are a cash method taxpayer, deduct on line 29 the amount of windfall profit tax actually withheld in 1982. **Form 6248,** Annual Information Return of Windfall Profit Tax—1982, shows the amount of windfall profit tax actually withheld in 1982.

Line 30 Other Business Expenses

Include all ordinary and necessary business expenses not deducted elsewhere on Schedule C. Do not include the cost of business equipment or furniture, replacements or permanent improvements to property, or personal living and family expenses.

Any loss from this activity that was not allowed as a deduction last year because of the "at risk" provisions, is treated as a deduction allocable to this activity in 1982.

Amortization. Use **Form 4562** to figure your amortization deduction. Include on line 30 of Schedule C the amount from Form 4562, Part II.

You may amortize the cost of pollution-control facilities, certain expenditures made before January 1, 1977, for on-the-job training facilities, and before January 1, 1982, for child-care facilities over a 60-month period.

You may amortize the following over a period of at least 60 months:

- amounts paid for research, experiments, and a trademark or trade name.

- certain business startup costs paid or incurred after July 29, 1980.

You may also amortize up to $10,000 of qualified forestation and reforestation costs over an 84-month period.

If you own a certified historic structure and pay or incur certain capital expenditures to rehabilitate it, special rules apply. See **Publication 535**, Business Expenses, for more information on rehabilitation expenditures of a certified historic structure.

Real property construction period interest and taxes generally cannot be fully deducted in the year you paid or incurred them. You must capitalize and amortize amounts not allowed as a deduction in the current year. This rule does not apply to low-income housing.

However, beginning in 1982, you do not have to capitalize and amortize real property interest and taxes attributable to real property that you do not reasonably expect to use in your trade or business or in an activity engaged in for profit.

For more information on amortization, please get **Publication 535.**

Line 32 Net Profit or (Loss)

If you have a profit, stop here. Enter the amount here and combine this amount with the profit or (loss) from your other businesses, if any. Enter the total on Form 1040, line 12, and Schedule SE, Part I, line 2 (or Form 1041, line 6).

If you have a loss, go on to line 33 before entering your loss on line 32.

Line 33 "At Risk"

Deductions for losses by persons who are engaged in a trade or business except real estate (other than mineral property) or an activity for the production of income are limited to the amount they have "at risk" in the business. You are "at risk" for an activity for the cash and adjusted basis of property you contributed to the activity and any amount borrowed for use in the activity for which you are personally liable. You are also "at risk" to the extent of the net fair market value of your own property (not used in the activity) that secures borrowed amounts for which you are not liable.

Answer the question "YES" if you have any loans for this business that:

- you borrowed from a person who is related to you under section 267(b); OR
- you borrowed from a person who has an interest in the business (other than as a creditor); OR
- you are protected against loss by a guarantee, stop-loss agreement, or similar arrangement; OR
- you are not personally required to pay back the money.

If you do not have any of these kinds of loans or other amounts for which you are not "at risk" in this business, then answer the question "NO." Enter the full loss on line 32 and combine this amount with the profit or (loss) from your other businesses, if any. Enter the total on Form 1040, line 12, and Schedule SE, Part I, line 2 (or Form 1041, line 6).

If you answered "YES" to the question on line 33, enter on line 32 either the amount of your loss or the amount for which you are considered "at risk," whichever is smaller. For example, if your loss is $1,000 and your amount "at risk" is $400, you would enter "($400)" on line 32. Or, if your loss is $1,000 and your amount "at risk" is $1,200, enter "($1,000)" on line 32.

If your "at risk" amount is smaller than zero, enter zero.

Also enter this amount as your loss from Schedule C on Form 1040, line 12, and Schedule SE, Part I, line 2 (or Form 1041, line 6).

If you dispose of an asset used in an activity to which the "at risk" rules apply (see I.R. Code section 465), combine the gain or loss on the disposition with the profit or loss from the activity. If you have a net loss, you may be subject to the "at risk" provisions.

For more details, get **Publication 536,** Net Operating Losses and the At-Risk Limits.

Instructions for

Schedule SE

Social Security Self-Employment Tax

Purpose

Schedule SE is used by self-employed persons to figure any self-employment tax due. The Social Security Administration uses the information provided on Schedule SE to figure benefits for self-employed people under the social security program. Social security self-employment tax applies regardless of your age, and even if you are receiving social security benefits.

Who Must Use Schedule SE

You must use Schedule SE if:

- You were self-employed,
- Your net earnings from self-employment were $400 or more, and
- You did not have wages (including tips)of $32,400 or more that were subject to social security tax or railroad retirement tax.

Who Should Use Schedule SE

You should use Schedule SE if you will benefit from using the optional method of computing self-employment earnings.

Use of the optional method may benefit you if:

- Your self-employment earnings are less than $400 and Form 1040, line 33, is less than $10,000 and you wish to claim the earned income credit; or
- You had a loss from self-employment and you need to increase your net earnings from self-employment to qualify to claim the child and dependent care credit.

Fiscal Year Filers

If your tax year is a fiscal year, you must use the tax rate and earnings base that apply at the time the fiscal year begins. You need not prorate the tax or earnings base for a fiscal year that overlaps the date of a rate or earnings base change.

More Than One Business

If you farmed and had at least one other trade or business or had two or more trades or businesses, your net earnings from self-employment are the combined net earnings from all your businesses. If you had a loss in one trade or business, it reduces the income from another. Figure the combined self-employment tax on Schedule SE.

Joint Returns

Show the name of the spouse with self-employment income on Schedule SE. If both spouses have self-employment income, each must file a separate Schedule SE. Include the total profits or losses from all businesses on Form 1040, line 12 or 19, as appropriate. Then enter the combined self-employment tax on Form 1040, line 51.

Community Income

In figuring net earnings from self-employment, if any of the income from a business, including farming, is community income, all the income from that business is considered the income of the spouse who carried on the trade or business unless there is a husband and wife partnership. The identity of the spouse who carried on the trade or business is determined by the facts in each situation.

If you file separate returns, attach Schedules C and SE (for nonfarm business) or Schedules F and SE (for farm business) to the return of the spouse with the self-employment income. Community income included on these schedules must be divided, for income tax purposes, on the basis of the community property laws.

Partnerships

In figuring your combined net earnings from self-employment, you should include your entire share of earnings from a partnership, including any guaranteed payments. However, if you are a limited partner, do not include your share of income or loss from the partnership, other than guaranteed payments. Unless you and your spouse are partners, no part of your partnership earnings can be treated as your spouse's even if the income, under State law, is community income. If you and your spouse have a partnership, enter the distributive share of each as partnership income on Schedule E (Form 1040), Part II for income tax purposes, and on separate Schedules SE, line 1 or line 2, for self-employment tax purposes.

If a partner in a continuing partnership dies, that member's distributive share of partnership ordinary income or loss for the year must be included in the partner's net earnings from self-employment.

Share-Farming

If you produced crops or livestock on land belonging to another for a share of the crops or livestock produced, or the proceeds from them, you are an independent contractor and a self-employed person rather than an employee. Report your net earnings for income tax on Schedule F and for social security self-employment tax on Schedule SE.

Exemption From Self-Employment Tax for Members of the Clergy and Certain Religious Orders and Sects

If you are a duly ordained, commissioned, or licensed minister of a church, member of a religious order (who has not taken a vow of poverty), or a Christian Science practitioner, you are subject to social security self-employment tax. But you can, under certain conditions, request IRS approval to exempt your income from services as a minister, member, or practitioner by filing Form 4361. If you have received IRS approval and have no other income subject to social security self-employment tax, write "Exempt—Form 4361" on Form 1040, line 51. If you filed Form 4361, but have $400 or more from other earnings subject to self-employment tax, you must complete Schedule SE.

Note: If you previously filed Form 2031 to pay social security self-employment tax in order to get social security coverage, you cannot now apply for exemption.

If you have conscientious objections to social security insurance because of your belief in the teachings of a recognized religious sect of which you are a member, you can request exemption from self-employment tax by filing Form 4029. If you filed Form 4029 and have received IRS approval, do not file Schedule SE. Instead, write "Exempt—Form 4029" on Form 1040, line 51.

Coverage for Overseas Missionaries

If you are a U.S. citizen and a minister (except a Christian Science practitioner) or member of a religious order serving outside the United States, you may figure earnings from self-employment as if you were serving in the United States (provided you have not elected exemption from coverage).

For more information, please get **Publication 517**, Social Security for Members of the Clergy and Religious Workers.

U.S. Citizens Employed by Foreign Governments or International Organizations

You are subject to the social security self-employment tax if you are a U.S. citizen employed in the United States, Puerto Rico, Guam, American Samoa, Northern Mariana Islands, or the Virgin Islands by a foreign government, in certain cases by an instrumentality wholly owned by a foreign government, or by an international organization organized under the International Organizations Immunities Act. Report income from this employment on Schedule SE, line 2. If you are employed by a foreign government or international organization in a country other than those listed, you are not subject to the self-employment tax.

Self-Employed U.S. Citizens or Residents Living Outside the United States

If you are a self-employed U.S. citizen or resident living outside the United States, you are generally subject to the self-employment tax. Your foreign earnings from self-employment may be reduced by any allowable exclusion of foreign earned income or exclusion or deduction for foreign housing cost amounts. However, if you qualify to exclude your foreign earned income under the physical presence test, you may not reduce your foreign earnings from self-employment by your foreign earned income exclusion.

Line-By-Line Instructions

We have provided specific instructions for some of the lines on the schedule. Those lines that do not appear in the instructions are self-explanatory.

Name of self-employed person. Enter the name and social security number of the self-employed person as it appears on that person's social security card.

Part I

Regular Computation of Net Earnings from Self-Employment

Income Not Included in Net Earnings from Self-Employment

- Salaries, fees, etc. subject to FICA tax which you received for performing services as an employee, including services performed as a public official (except as a fee basis government employee as explained under Income Included in Net Earnings from Self-Employment) or as an employee or employee representative under the railroad retirement system.
- Income you received as a retired partner under a written partnership plan that provides for lifelong periodic retirement payments, if you had no other interest in the partnership and did not perform services for it during the year.
- Real estate rentals, unless received in the course of a trade or business as a real estate dealer. These include cash and crop shares received from a tenant or sharefarmer. You should report these amounts on Schedule E, Part I.
- Dividends on shares of stock and interest on bonds, debentures, notes, certificates, or other evidence of corporate indebtedness unless received in the course of your trade or business as a dealer in stocks or securities.
- Gain or loss from:
  - The sale or exchange of a capital asset;
  - The sale, exchange, involuntary conversion, or other disposition of property, unless the property is stock in trade or other property that would be includible in inventory, or held primarily for sale to customers in the ordinary course of the business;
  - Certain transactions in timber, coal, or domestic iron ore; or
  - Net operating losses from other years.

Other Income Included in Net Earnings from Self-Employment

- Rental income from a farm if the rental arrangement provides for material participation by the landlord and, as landlord, you participated materially in the production or management of the production of farm products on this land. This income is farm earnings. Report it on Schedules F and SE. (To determine whether you participated materially in farm management or production, do not consider the activities of any agent who acted for you.)
- Payments for the use of rooms or other space when services are also provided to the occupant, such as rooms in hotels, boarding houses, tourist camps, or homes.
- Payments you received for space in parking lots, trailer parks, warehouses, or storage garages.
- Income you received from the retail sale of newspapers and magazines if you are 18 or over and kept the profits.
- Income you received as a crew member of a fishing vessel with a crew of normally less than 10 individuals. See **Publication 595**, Tax Guide for Commercial Fishermen, for more information.
- Fees you received for services performed as a State or local government employee provided you are compensated solely on a fee basis and the position is not covered under a Federal-State social security coverage agreement.
- The rental value of a home or an allowance for a home furnished you if you are a minister or a member of a religious order.
- The value of meals and lodging provided to you for the convenience of your employer if you are a minister or member of a religious order.
- Director's fees and other payments received by a director of a corporation for services as a director.
- Fiduciaries' fees received by professional fiduciaries. Also, nonprofessional fiduciaries if the fees relate to active participation in the operation of the estate's trade or business or the facts indicate the fiduciary manages an estate which requires extensive management activities over a long period of time.

Lines 1 and 2.—Exclude from lines 1 and 2 any income or expense not included in figuring net earnings from self-employment and attach an explanation. If you are a partner, adjust lines 1 and 2 for any expense deduction for recovery property (section 179) claimed, oil or gas depletion, or unreimbursed partnership expenses.

If you deposited earnings into a capital construction fund established under the Merchant Marine Act of 1936, see **Publication 595.**

If you are a duly ordained minister who is an employee of a church and if you are subject to self-employment tax, the unreimbursed business expenses that you incurred in performing your services as an employee of the church (allowed only as an itemized deduction) are deducted from your self-employment earnings in figuring your self-employment tax. For more information see **Publication 517.**

Part II

Optional Method for Figuring Net Earnings from Farm Self-Employment

If your gross farming profits for the year were not more than $2,400, you can report two-thirds of your gross farm profits instead of your actual net earnings from farming.

If your gross farm profits were more than $2,400, and your net farm earnings were less than $1,600, you can report $1,600 on line 4.

There is no limit on how many times you can elect this optional method. If you use this method, you must apply it to all farm earnings from self-employment for the year. This method can be used to increase or decrease net farm earnings, even if the farming operation resulted in a loss. You may change the method (from actual net to optional net or the reverse) after you file your return.

For a farm partnership, figure your share of gross profits according to the partnership agreement. With guaranteed payments, your share of the partnership's gross profits is your guaranteed payment plus your share of the gross profits after they are reduced by all guaranteed payments of the partnership. Limited partners should include only guaranteed payments.

Optional Method for Figuring Net Earnings from Nonfarm Self-Employment

You may be able to use an optional method to figure your net earnings from nonfarm self-employment if your actual net earnings from nonfarm self-employment are less than $1,600 and less than two-thirds of your gross nonfarm profits.

You may use this optional method if you are regularly self-employed or regularly a member of a partnership. You meet this requirement if you had actual net earnings from self-employment of $400 or more (including your distributive share of the income or loss from any partnership of which you are a member) from nonfarm and farm businesses in at least 2 of the 3 years immediately before the year for which you use the nonfarm option.

You may report two-thirds of your gross nonfarm profits (but not more than $1,600) as your net earnings from self-employment on line 6, but you may not report less than your actual net earnings from nonfarm self-employment.

For a nonfarm partnership, figure your share of gross profits according to the partnership agreement. With guaranteed payments, your share of the partnership's gross profits is your guaranteed payment plus your share of the gross profits after they are reduced by all guaranteed payments of the partnership. Limited partners should include only guaranteed payments.

The limit for the optional method for nonfarm self-employment is 5 years. The 5 years need not be consecutive.

Using Both Optional Methods

If you have both nonfarm and farm income, you may only use the nonfarm option if your actual net earnings from nonfarm self-employment are less than $1,600. In all combined cases, your net nonfarm earnings must be less than two-thirds of your gross nonfarm profits to use the nonfarm option. If you qualify to use both options, you may report less than actual total net earnings but not less than actual net earnings from nonfarm self-employment alone.

If you use both options in figuring net earnings from self-employment, your maximum combined total of net earnings from self-employment for any tax year cannot be more than $1,600.

Line 4.—Enter two-thirds of the total of the amount from all Schedules F, line 31 or line 88, and Schedules K–1 (Form 1065), line 18a, or $1,600, whichever is smaller.

Line 6.—Enter the smaller of:

- $1,600;
- ⅔ of the total of gross profits from all Schedules C, line 3, plus the distributive share of gross profits from all nonfarm partnerships, Schedule K–1 (Form 1065), line 18c; or
- The amount on line 5 if you also had farm income and elect the farm optional method.

Instructions for

Schedule F

Farm Income and Expenses

Purpose

Use Schedule F to report farm income and expenses if you file Forms 1040, 1041, or 1065. Please get **Publication 225,** Farmer's Tax Guide, for additional information. It has samples of filled-in forms and schedules, and Important Dates that apply to farmers. You may also want to get **Publication 534,** Depreciation.

If you were required to make estimated tax payments in 1982 and you underpaid your estimated tax, you may be charged a penalty. You will not be charged a penalty, however, if you meet the following tests:

- your gross farming or fishing income for 1981 or 1982 is at least two-thirds of your gross income, and
- you file your 1982 tax return and pay the tax due by March 1, 1983.

For more details, see **Publication 225.**

Do not report the following income on Schedule F:

- Rent you received that was based on farm production or crop shares if you did not run the farm yourself. Report this income on **Form 4835** and **Schedule E** (Form 1040). It is not subject to self-employment tax.
- Rent from your pasture land. Report this income in Part I of **Schedule E** (Form 1040). However, report pasture income received from taking care of someone else's livestock on line 29 of Schedule F.
- Sales, exchanges, or involuntary conversions (other than casualty or theft) of certain trade or business property. Report this income on **Form 4797.**
- Sales of livestock held for draft, breeding, sport, or dairy purposes. Report this income on **Form 4797.**

Which Parts to Use

- Schedule F has 4 parts. The accounting method you used to record your farm income determines which parts you must fill in.

Under the **cash method,** you include all of your income in the year you actually get it. Generally, you deduct your expenses when you pay them. If you use the cash method, fill in Parts I and II.

Under the **accrual method,** you include your income in the year you earned it. It does not matter when you get it. You deduct your expenses when you incur them. If you use the accrual method, fill in Parts II, III and IV.

Employer Identification Number

You need an employer identification number only if:

- you had a Keogh (H.R. 10) plan, or
- you were required to file an employment tax, excise tax, or alcohol, tobacco or firearms tax return.

Part I

Farm Income

Cash Method

In Part I show the income you received for the items listed on lines 1 through 28. Count both the cash you actually or constructively received and the fair market value of goods or other property you received for these items.

Income is constructively received when it is credited to your account or set aside for you to use.

If you ran the farm yourself and received rents based on farm production or crop shares, report these rents as income on the line for the crop, or on line 29.

Line 1

In column (b) show the amount you received from sales of livestock you bought for resale. In column (c) show the cost or other basis of the livestock.

Line 2

In column (b) show the amount you received from sales of other items you bought for resale. In column (c) show the cost or other basis of those items.

Line 4

If you sold livestock because of a drought, you can choose to count the income from the sale in the year after the drought, instead of the year of the sale. You can do this IF:

- your main business is farming, AND
- you can show that you sold the livestock only because of the drought, AND
- your area qualified for Federal aid.

Lines 5 through 19

Show the amount you got from the sale of livestock and produce you raised.

Line 20

Show the amount you were paid for the use of your farm machinery.

Line 21

Show patronage dividends you received in cash, and the dollar amount of qualified written notices of allocation. If you received property as patronage dividends, report the fair market value of the property as income. Include cash advances you received from a marketing cooperative.

You do not have to include as income patronage dividends from buying:

- personal or family items.
- capital assets.
- depreciable assets you use in your business.

Enter these amounts on line 21b. If you do not report patronage dividends from these items as income, you must subtract the amount of the dividend from the cost or other basis of these items.

Line 22

If you get per-unit retains in cash, show the amount of cash. If you get qualified per-unit retain certificates, show the stated dollar amount of the certificate.

Line 24

Enter on line 24a cash you got as price support payments, diversion payments, and cost-share payments (sight drafts).

On line 24b, show the amounts the Department of Agriculture paid for materials such as fertilizer or lime, or services such as grading or constructing dams.

Line 25

Report Commodity Credit Corporation loans you received as income if:

- the commodities are delivered or forfeited to the Corporation instead of sold in the market, OR
- you choose to report the loan as income when you receive it. If you do this, attach a statement showing the details of the loan. You must continue to report these loans as income unless the IRS permits you to change your accounting method.

Line 26

If you took a credit for Federal gasoline tax on your 1981 Form 1040, enter the amount of the credit here.

Line 27

Enter the amount of any State gasoline tax refund you got in 1982.

Line 28

In general, you must report crop insurance proceeds in the year you receive them.

However, you may choose to include crop insurance proceeds and certain disaster payments in income in the tax year after the year of damage if you can show that it is your practice to report income from these crops in the later tax year.

Line 29

Use this line to report income other than that shown on lines 1 through 28.

Report the sale of commodity futures contracts on this line if they were made to protect you from price changes. These are a form of business insurance and are considered hedges. Enter any profit on line 29. If you had a loss in a closed futures contract, show it as a minus amount.

Caution: *For property acquired and hedging positions established after December 31, 1981, you must clearly identify on your books and records that the transaction was a hedging transaction.*

Purchase or sales contracts are not true hedges if they offset losses that already happened. If you bought or sold commodity futures with the hope of making a profit due to favorable price changes, do not report the profit or loss on this line. Report the gain or loss on **Form 6781**, Gains and Losses from Commodity Futures Contracts and Straddle Positions.

Report as income the amount of the credit for alcohol used as a fuel that was entered on **Form 6478.**

Part II
Farm Deductions

Cash and Accrual Method

Do not deduct:

- personal or living expenses (such as taxes, insurance, or repairs on your home) that do not produce farm income.
- expenses of raising anything you or your family used.
- the value of animals you raised that died.
- loss of inventory.
- personal losses.
- the cost of planting and growing citrus or almond groves for the first four years after you plant them. You must treat these items as part of the cost of the grove. However, you may depreciate the cost of an irrigation system used in connection with the citrus grove, beginning in the year the system is placed in service.

If you were repaid for any part of an expense, you must subtract the amount you were repaid from the deduction.

Farming Syndicates

A farming syndicate may be:

- a partnership, or
- any other noncorporate group, or
- a small business corporation, if

a. the interests in the business have ever been for sale in a way that would require registration with any Federal or State agency, **or**

b. more than 35% of the loss during any tax year is spread between limited partners or limited entrepreneurs.

(A limited partner or limited entrepreneur is a person who does not take any active part in managing the business, and who can lose only the amount he or she has invested.)

If you are a farming syndicate, your deductions are limited as follows:

- Generally, you can deduct feed, seed, fertilizers and other farm supplies only in the year you actually use them (or only in the year you can deduct them under your accounting method). However, if you bought supplies you could not use because of fire, storm, flood, disease, or other casualty, then you may deduct them in the year you bought them.
- You must spread the cost of poultry you bought to use in business (or to resell) over 12 months, or the useful life, whichever is less.
- You cannot deduct the cost of planting, cultivating, maintaining or developing groves, orchards or vineyards, which produce fruit or nuts, before the tax year in which they produce commercial quantities. You must treat these costs as part of the cost of the grove.

Line 32

Enter the amount you paid for farm labor. You can count the cost of boarding farm labor but not the value of any products they used from the farm. You can count only what you paid household help to care for farm laborers. Do not count the value of your own or your family's labor.

Enter on line 32b the jobs credit from **Form 5884.** Subtract line 32b from labor hired on line 32a and enter the balance on line 32c.

For more details, please get **Publication 906**, Jobs and Research Credits.

Line 33

Enter what you paid for repairs and upkeep of farm buildings (but not your home), machinery and equipment. You can also include what you paid for tools of short life or small cost, such as shovels and rakes.

Line 34

Show the interest you paid on your farm (but not your home) mortgage. Also include interest on other loans related to this farm. If you prepaid interest in 1982 for years after 1982, include only the part that applies to 1982.

Line 35

If you are a tenant farmer and pay the owner of the land a share of the crop rather than cash, show the cost of raising the crop. Do not enter the value of the crop.

Line 36

If you use the cash method, show what you paid for feed to be consumed by your livestock in the year of payment. If the feed is to be consumed in a later tax year, however, the expense might not be deductible in the year paid. See **Publication 225** for more information on advance payments for feed.

Line 39

Show what you paid to rent machinery used on your farm.

Line 45

You can deduct the following taxes:

- real estate and personal property taxes on farm business assets.
- social security taxes you paid to match what you are required to withhold from farm employees' wages.

Do not deduct:

- Federal income taxes.
- estate and gift taxes.
- taxes assessed to pay for improvements such as paving, sewers, etc.
- taxes on your home or personal property.
- other taxes not related to the farm business.

Line 46

Show only the amount of premiums for fire, storm, crop, and theft insurance for this year for your farm business assets. Do not include insurance on personal assets, or medical, health or disability insurance on yourself or your family.

Line 47

Show what you paid for gas, electricity, water, etc. for business use on the farm. Do not include personal utilities.

Line 48

Do not include as freight paid the cost of transportation incurred in purchasing livestock held for resale. Instead, add these costs to the cost of the livestock, and deduct them when the livestock are sold.

Line 49

You can deduct what you spent to conserve soil or water, or to prevent erosion of your land. You can also deduct what you paid to a soil or water district for conservation expenses. Do not deduct more than 25% of your gross income from farming (excluding certain gains from selling assets such as farm machinery and land). If your conservation expenses are more than the limit, you can carry the excess over to following years.

Line 50

Show what you paid to clear land so you could farm it. Do not enter more than $5,000 or 25% of your taxable income from farming, whichever is less.

Line 51

Enter the amount you paid to pension, profit-sharing, or annuity plans for your employees. If the plan included you as an owner-employee, see the instructions for Schedule C, line 21, on page 27. Enter the amount you paid for yourself on Form 1040, line 26.

Line 52

Enter any amounts you paid to programs for your employees that are not a part of the plans on line 51. Examples are insurance, health, and welfare programs. Do not include here amounts paid for yourself or your family.

Line 53

Enter expenses not listed on another line, such as:

- office supplies.
- advertising.
- car and truck expenses. You can deduct what it cost you to run your car or truck, or take the fixed mileage rate. The rate is 20 cents a mile up to 15,000 miles, and 11 cents a mile for each mile after that. If you use more than one vehicle for business, you must use the actual cost. If you use the vehicle for both personal and farm purposes, show only the miles (or costs) which apply to farming.

For vehicles that have been fully depreciated, the rate is 11 cents a mile.

If you use the fixed rate, the vehicle is considered to have a useful life of 60,000 miles of business use at the maximum fixed mileage rate.

Note: *If you place a car or truck in service after December 31, 1980, and take the fixed mileage rate, you are treated as having elected to exclude this vehicle from ACRS.*

For more details, get **Publication 463**, Travel, Entertainment, and Gift Expenses.

Note: *If you use certain highway trucks, truck-trailers, tractor-trailers, or buses in your trade or business, you may have to pay a Federal highway use tax on these vehicles. Get* **Form 2290**, *Federal Use Tax Return on Highway Motor Vehicles, to see whether you are subject to the tax.*

- Any loss from this activity that was not allowed as a deduction last year because of the "at risk" provisions. This is treated as a deduction allocable to this activity in 1982.
- amortization of qualifying forestation and reforestation costs over an 84-month period.
- amortization of certain business startup costs over a period of at least 60 months.

Use **Form 4562** to figure your amortization deduction. Include on line 53 of Schedule F the amount of the deduction from Form 4562, Part II.

For more information on amortization, see **Publication 535**, Business Expenses.

Line 55

You can deduct depreciation of buildings, improvements, cars and trucks, machinery, and other farm equipment of a permanent nature.

Do not include depreciation on:

- your home, furniture, or other personal items,
- land,
- livestock you bought or raised for resale, or
- other property in your inventory.

Generally, you MUST use the Accelerated Cost Recovery System (ACRS) for all assets you place in service after December 31, 1980.

You cannot use ACRS for:

- assets placed in service before January 1, 1981,
- certain public utility property,
- certain property acquired from related persons, and
- property acquired in certain nonrecognition transactions.

Figure your depreciation deduction on **Form 4562**, Depreciation and Amortization. Enter on line 55 of Schedule F the amount from Form 4562, Part I.

Election to Expense Certain Recovery Property (section 179). For tax years beginning in 1982, you may choose to expense part of the cost of recovery property you bought in 1982 for use in your business. You may deduct up to $5,000 ($2,500 if married filing separately) of the cost of recovery property that would otherwise qualify for investment credit. However, you may not depreciate or amortize the same costs, or claim an investment credit for the costs. Only property used in your trade or business qualifies for the deduction.

Use **Form 4562** to figure your deduction. Include on line 55 of Schedule F the amount from Form 4562, Part I.

Please get **Publication 534**, Depreciation, for more information.

Line 57

If you have a profit, stop here. Enter the amount here and on Form 1040, line 19, and Schedule SE, Part I, line 1 (or Form 1041, line 6). Partnerships should stop here and enter the profit or loss on this line and on Form 1065, line 8.

If you have a loss, go on to line 58 before entering your loss on line 57.

Line 58

Deductions for losses by persons who are engaged in farming as a trade or business, or for the production of income, are limited to the amount they have "at risk" in the farm. You are "at risk" for an activity for the cash and adjusted basis of property you contributed to the activity and any amount borrowed for use in the activity for which you are personally liable. You are also "at risk" to the extent of the net fair market value of your own property (not used in the activity) that secures borrowed amounts for which you are not liable.

Answer the question "YES" if you have any loans for this farm that:

- you borrowed from a person who is related to you under section 267(b); OR
- you borrowed from a person who has an interest in the business (other than as a creditor); OR
- you are protected against loss by a guarantee, stop-loss agreement or similar arrangement; OR
- you are not personally required to pay back the money.

If you do not have any of these kinds of loans, or other amounts for which you are not "at risk" in this business, then answer the question "NO." Enter the full loss on line 57 and on Form 1040, line 19, and Schedule SE, Part I, line 1 (or Form 1041, line 6).

If you answered "YES" to the question on line 58, enter on line 57 either the amount of your loss or the amount for which you are considered "at risk," whichever is smaller. For example, if your loss is $1,000 and your amount "at risk" is $400, you would enter ($400) on line 57. Or, if your loss is $1,000 and your amount "at risk" is $1,200, enter ($1,000) on line 57.

If your "at risk" amount is smaller than zero, enter zero.

Also enter this amount as your loss from farming on Form 1040, line 19, and Schedule SE, Part I, line 1 (or Form 1041, line 6).

If you sell or otherwise dispose of (1) an asset used in an activity to which the "at risk" rules apply or (2) any part of your interest in an activity to which the "at risk" rules apply (see I.R. Code section 465), combine the gain or loss on the disposition with the profit or loss from the activity.

If you have a net loss, you may be subject to the "at risk" provisions.

For more details, get Publication 536, Net Operating Losses and the At-Risks Limits.

Part III

Farm Income

Accrual Method

If you use the accrual method, report farm income when you earn it, not when you receive it. Generally, you must inventory your animals and crops if you use this method. See Publication 538, Accounting Periods and Methods, for exceptions, inventory methods, and how to change from accrual to cash methods of accounting.

Lines 59 through 75

For each item listed, fill in columns (b), (c), (d), and (e) across. See the line-by-line instructions for Part I for more information.

Part IV

Summary of Income and Deductions

Accrual Method

Lines 79 and 80

See instructions for Part I, lines 24 and 25.

Line 81

If you take a credit for Federal gasoline tax on your 1982 income tax return, enter the amount of the credit on this line.

Line 82

If you are due a refund of State gasoline tax for 1982, enter the amount here.

Line 83

See instructions for Part I, line 29.

Lines 90 and 91

See instructions for Part I, lines 57 and 58.

1982 Tax Table

Based on Taxable Income
For persons with taxable incomes of less than $50,000.

Example: Mr. and Mrs. Brown are filing a joint return. Their taxable income on line 37 of Form 1040 is $25,325. First, they find the $25,300–25,350 income line. Next, they find the column for married filing jointly and read down the column. The amount shown where the income line and filing status column meet is $4,247. This is the tax amount they must write on line 38 of their return.

At least	But less than	Single	Married filing jointly *	Married filing sepa-rately	Head of a house-hold
		Your tax is—			
25,250	25,300	5,458	4,233	6,774	5,010
25,300	25,350	5,476	4,247	6,796	5,026
25,350	25,400	5,493	4,262	6,818	5,042

If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing sepa-rately	Head of a house-hold
		Your tax is—			
0	1,700	0	0	0	0
1,700	1,725	0	0	[a]2	0
1,725	1,750	0	0	5	0
1,750	1,775	0	0	8	0
1,775	1,800	0	0	11	0
1,800	1,825	0	0	14	0
1,825	1,850	0	0	17	0
1,850	1,875	0	0	20	0
1,875	1,900	0	0	23	0
1,900	1,925	0	0	26	0
1,925	1,950	0	0	29	0
1,950	1,975	0	0	32	0
1,975	2,000	0	0	35	0
2,000					
2,000	2,025	0	0	38	0
2,025	2,050	0	0	41	0
2,050	2,075	0	0	44	0
2,075	2,100	0	0	47	0
2,100	2,125	0	0	50	0
2,125	2,150	0	0	53	0
2,150	2,175	0	0	56	0
2,175	2,200	0	0	59	0
2,200	2,225	0	0	62	0
2,225	2,250	0	0	65	0
2,250	2,275	0	0	68	0
2,275	2,300	0	0	71	0
2,300	2,325	[b]2	0	74	[b]2
2,325	2,350	5	0	77	5
2,350	2,375	8	0	80	8
2,375	2,400	11	0	83	11
2,400	2,425	14	0	86	14
2,425	2,450	17	0	89	17
2,450	2,475	20	0	92	20
2,475	2,500	23	0	95	23
2,500	2,525	26	0	98	26
2,525	2,550	29	0	101	29
2,550	2,575	32	0	104	32
2,575	2,600	35	0	107	35
2,600	2,625	38	0	110	38
2,625	2,650	41	0	113	41
2,650	2,675	44	0	116	44
2,675	2,700	47	0	119	47
2,700	2,725	50	0	122	50
2,725	2,750	53	0	125	53
2,750	2,775	56	0	128	56
2,775	2,800	59	0	131	59
2,800	2,825	62	0	135	62
2,825	2,850	65	0	138	65
2,850	2,875	68	0	142	68
2,875	2,900	71	0	145	71
2,900	2,925	74	0	149	74
2,925	2,950	77	0	152	77
2,950	2,975	80	0	156	80
2,975	3,000	83	0	159	83
3,000					
3,000	3,050	87	0	165	87
3,050	3,100	93	0	172	93
3,100	3,150	99	0	179	99
3,150	3,200	105	0	186	105
3,200	3,250	111	0	193	111
3,250	3,300	117	0	200	117
3,300	3,350	123	0	207	123
3,350	3,400	129	0	214	129
3,400	3,450	136	[c]3	221	135
3,450	3,500	143	9	228	141
3,500	3,550	150	15	235	147
3,550	3,600	157	21	242	153
3,600	3,650	164	27	249	159
3,650	3,700	171	33	256	165
3,700	3,750	178	39	263	171
3,750	3,800	185	45	270	177
3,800	3,850	192	51	277	183
3,850	3,900	199	57	285	189
3,900	3,950	206	63	293	195
3,950	4,000	213	69	301	201
4,000					
4,000	4,050	220	75	309	207
4,050	4,100	227	81	317	213
4,100	4,150	234	87	325	219
4,150	4,200	241	93	333	225
4,200	4,250	248	99	341	231
4,250	4,300	255	105	349	237
4,300	4,350	262	111	357	243
4,350	4,400	269	117	365	249
4,400	4,450	276	123	373	256
4,450	4,500	284	129	381	263
4,500	4,550	292	135	389	270
4,550	4,600	300	141	397	277
4,600	4,650	308	147	405	284
4,650	4,700	316	153	413	291
4,700	4,750	324	159	421	298
4,750	4,800	332	165	429	305
4,800	4,850	340	171	437	312
4,850	4,900	348	177	445	319
4,900	4,950	356	183	453	326
4,950	5,000	364	189	461	333
5,000					
5,000	5,050	372	195	469	340
5,050	5,100	380	201	477	347
5,100	5,150	388	207	485	354
5,150	5,200	396	213	493	361
5,200	5,250	404	219	501	368
5,250	5,300	412	225	509	375
5,300	5,350	420	231	517	382
5,350	5,400	428	237	525	389
5,400	5,450	436	243	533	396
5,450	5,500	444	249	541	403
5,500	5,550	452	256	549	410
5,550	5,600	460	263	557	417
5,600	5,650	468	270	565	424
5,650	5,700	476	277	573	431
5,700	5,750	484	284	581	438
5,750	5,800	492	291	589	445
5,800	5,850	500	298	597	452
5,850	5,900	508	305	605	459
5,900	5,950	516	312	613	466
5,950	6,000	524	319	622	473
6,000					
6,000	6,050	532	326	631	480
6,050	6,100	540	333	641	487
6,100	6,150	548	340	650	494
6,150	6,200	556	347	660	501
6,200	6,250	564	354	669	508
6,250	6,300	572	361	679	515
6,300	6,350	580	368	688	522
6,350	6,400	588	375	698	529
6,400	6,450	596	382	707	536
6,450	6,500	604	389	717	543
6,500	6,550	612	396	726	550
6,550	6,600	621	403	736	558
6,600	6,650	629	410	745	566
6,650	6,700	638	417	755	574
6,700	6,750	646	424	764	582
6,750	6,800	655	431	774	590
6,800	6,850	663	438	783	598
6,850	6,900	672	445	793	606
6,900	6,950	680	452	802	614
6,950	7,000	689	459	812	622
7,000					
7,000	7,050	697	466	821	630
7,050	7,100	706	473	831	638
7,100	7,150	714	480	840	646
7,150	7,200	723	487	850	654
7,200	7,250	731	494	859	662
7,250	7,300	740	501	869	670
7,300	7,350	748	508	878	678
7,350	7,400	757	515	888	686
7,400	7,450	765	522	897	694
7,450	7,500	774	529	907	702
7,500	7,550	782	536	916	710
7,550	7,600	791	543	926	718
7,600	7,650	799	550	935	726
7,650	7,700	808	558	945	734
7,700	7,750	816	566	954	742
7,750	7,800	825	574	964	750
7,800	7,850	833	582	973	758
7,850	7,900	842	590	983	766
7,900	7,950	850	598	992	774
7,950	8,000	859	606	1,002	782

*This column must also be used by a qualifying widow(er).

Continued on next page

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[a] If your taxable income is exactly $1,700, your tax is zero.
[b] If your taxable income is exactly $2,300, your tax is zero.
[c] If your taxable income is exactly $3,400, your tax is zero.

1982 Tax Table (Continued)

If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
8,000					
8,000	8,050	867	614	1,012	790
8,050	8,100	876	622	1,023	798
8,100	8,150	884	630	1,034	806
8,150	8,200	893	638	1,045	814
8,200	8,250	901	646	1,056	822
8,250	8,300	910	654	1,067	830
8,300	8,350	918	662	1,078	838
8,350	8,400	927	670	1,089	846
8,400	8,450	935	678	1,100	854
8,450	8,500	944	686	1,111	862
8,500	8,550	953	694	1,122	870
8,550	8,600	962	702	1,133	878
8,600	8,650	972	710	1,144	886
8,650	8,700	981	718	1,155	894
8,700	8,750	991	726	1,166	903
8,750	8,800	1,000	734	1,177	913
8,800	8,850	1,010	742	1,188	923
8,850	8,900	1,019	750	1,199	933
8,900	8,950	1,029	758	1,210	943
8,950	9,000	1,038	766	1,221	953
9,000					
9,000	9,050	1,048	774	1,232	963
9,050	9,100	1,057	782	1,243	973
9,100	9,150	1,067	790	1,254	983
9,150	9,200	1,076	798	1,265	993
9,200	9,250	1,086	806	1,276	1,003
9,250	9,300	1,095	814	1,287	1,013
9,300	9,350	1,105	822	1,298	1,023
9,350	9,400	1,114	830	1,309	1,033
9,400	9,450	1,124	838	1,320	1,043
9,450	9,500	1,133	846	1,331	1,053
9,500	9,550	1,143	854	1,342	1,063
9,550	9,600	1,152	862	1,353	1,073
9,600	9,650	1,162	870	1,364	1,083
9,650	9,700	1,171	878	1,375	1,093
9,700	9,750	1,181	886	1,386	1,103
9,750	9,800	1,190	894	1,397	1,113
9,800	9,850	1,200	902	1,408	1,123
9,850	9,900	1,209	910	1,419	1,133
9,900	9,950	1,219	918	1,430	1,143
9,950	10,000	1,228	926	1,441	1,153
10,000					
10,000	10,050	1,238	934	1,452	1,163
10,050	10,100	1,247	942	1,463	1,173
10,100	10,150	1,257	950	1,475	1,183
10,150	10,200	1,266	958	1,487	1,193
10,200	10,250	1,276	966	1,500	1,203
10,250	10,300	1,285	974	1,512	1,213
10,300	10,350	1,295	982	1,525	1,223
10,350	10,400	1,304	990	1,537	1,233
10,400	10,450	1,314	998	1,550	1,243
10,450	10,500	1,323	1,006	1,562	1,253
10,500	10,550	1,333	1,014	1,575	1,263
10,550	10,600	1,342	1,022	1,587	1,273
10,600	10,650	1,352	1,030	1,600	1,283
10,650	10,700	1,361	1,038	1,612	1,293
10,700	10,750	1,371	1,046	1,625	1,303

If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
10,750	10,800	1,380	1,054	1,637	1,313
10,800	10,850	1,391	1,062	1,650	1,323
10,850	10,900	1,402	1,070	1,662	1,333
10,900	10,950	1,413	1,078	1,675	1,343
10,950	11,000	1,424	1,086	1,687	1,353
11,000					
11,000	11,050	1,435	1,094	1,700	1,363
11,050	11,100	1,446	1,102	1,712	1,373
11,100	11,150	1,457	1,110	1,725	1,383
11,150	11,200	1,468	1,118	1,737	1,393
11,200	11,250	1,479	1,126	1,750	1,403
11,250	11,300	1,490	1,134	1,762	1,413
11,300	11,350	1,501	1,142	1,775	1,423
11,350	11,400	1,512	1,150	1,787	1,433
11,400	11,450	1,523	1,158	1,800	1,443
11,450	11,500	1,534	1,166	1,812	1,453
11,500	11,550	1,545	1,174	1,825	1,463
11,550	11,600	1,556	1,182	1,837	1,473
11,600	11,650	1,567	1,190	1,850	1,483
11,650	11,700	1,578	1,198	1,862	1,493
11,700	11,750	1,589	1,206	1,875	1,503
11,750	11,800	1,600	1,214	1,887	1,513
11,800	11,850	1,611	1,222	1,900	1,524
11,850	11,900	1,622	1,230	1,912	1,535
11,900	11,950	1,633	1,239	1,925	1,546
11,950	12,000	1,644	1,248	1,937	1,557
12,000					
12,000	12,050	1,655	1,258	1,950	1,568
12,050	12,100	1,666	1,267	1,962	1,579
12,100	12,150	1,677	1,277	1,975	1,590
12,150	12,200	1,688	1,286	1,987	1,601
12,200	12,250	1,699	1,296	2,000	1,612
12,250	12,300	1,710	1,305	2,012	1,623
12,300	12,350	1,721	1,315	2,026	1,634
12,350	12,400	1,732	1,324	2,040	1,645
12,400	12,450	1,743	1,334	2,055	1,656
12,450	12,500	1,754	1,343	2,069	1,667
12,500	12,550	1,765	1,353	2,084	1,678
12,550	12,600	1,776	1,362	2,098	1,689
12,600	12,650	1,787	1,372	2,113	1,700
12,650	12,700	1,798	1,381	2,127	1,711
12,700	12,750	1,809	1,391	2,142	1,722
12,750	12,800	1,820	1,400	2,156	1,733
12,800	12,850	1,831	1,410	2,171	1,744
12,850	12,900	1,842	1,419	2,185	1,755
12,900	12,950	1,853	1,429	2,200	1,766
12,950	13,000	1,864	1,438	2,214	1,777
13,000					
13,000	13,050	1,876	1,448	2,229	1,788
13,050	13,100	1,887	1,457	2,243	1,799
13,100	13,150	1,899	1,467	2,258	1,810
13,150	13,200	1,910	1,476	2,272	1,821
13,200	13,250	1,922	1,486	2,287	1,832
13,250	13,300	1,933	1,495	2,301	1,843
13,300	13,350	1,945	1,505	2,316	1,854
13,350	13,400	1,956	1,514	2,330	1,865
13,400	13,450	1,968	1,524	2,345	1,876
13,450	13,500	1,979	1,533	2,359	1,887

If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
13,500	13,550	1,991	1,543	2,374	1,898
13,550	13,600	2,002	1,552	2,388	1,909
13,600	13,650	2,014	1,562	2,403	1,920
13,650	13,700	2,025	1,571	2,417	1,931
13,700	13,750	2,037	1,581	2,432	1,942
13,750	13,800	2,048	1,590	2,446	1,953
13,800	13,850	2,060	1,600	2,461	1,964
13,850	13,900	2,071	1,609	2,475	1,975
13,900	13,950	2,083	1,619	2,490	1,986
13,950	14,000	2,094	1,628	2,504	1,997
14,000					
14,000	14,050	2,106	1,638	2,519	2,008
14,050	14,100	2,117	1,647	2,533	2,019
14,100	14,150	2,129	1,657	2,548	2,030
14,150	14,200	2,140	1,666	2,562	2,041
14,200	14,250	2,152	1,676	2,577	2,052
14,250	14,300	2,163	1,685	2,591	2,063
14,300	14,350	2,175	1,695	2,606	2,074
14,350	14,400	2,186	1,704	2,620	2,085
14,400	14,450	2,198	1,714	2,635	2,096
14,450	14,500	2,209	1,723	2,649	2,107
14,500	14,550	2,221	1,733	2,664	2,118
14,550	14,600	2,232	1,742	2,678	2,129
14,600	14,650	2,244	1,752	2,693	2,140
14,650	14,700	2,255	1,761	2,707	2,151
14,700	14,750	2,267	1,771	2,722	2,162
14,750	14,800	2,278	1,780	2,736	2,173
14,800	14,850	2,290	1,790	2,751	2,184
14,850	14,900	2,301	1,799	2,765	2,195
14,900	14,950	2,313	1,809	2,780	2,206
14,950	15,000	2,324	1,818	2,795	2,217
15,000					
15,000	15,050	2,337	1,828	2,812	2,228
15,050	15,100	2,350	1,837	2,828	2,239
15,100	15,150	2,364	1,847	2,845	2,251
15,150	15,200	2,377	1,856	2,861	2,262
15,200	15,250	2,391	1,866	2,878	2,274
15,250	15,300	2,404	1,875	2,894	2,285
15,300	15,350	2,418	1,885	2,911	2,297
15,350	15,400	2,431	1,894	2,927	2,308
15,400	15,450	2,445	1,904	2,944	2,320
15,450	15,500	2,458	1,913	2,960	2,331
15,500	15,550	2,472	1,923	2,977	2,343
15,550	15,600	2,485	1,932	2,993	2,354
15,600	15,650	2,499	1,942	3,010	2,366
15,650	15,700	2,512	1,951	3,026	2,377
15,700	15,750	2,526	1,961	3,043	2,389
15,750	15,800	2,539	1,970	3,059	2,400
15,800	15,850	2,553	1,980	3,076	2,412
15,850	15,900	2,566	1,989	3,092	2,423
15,900	15,950	2,580	1,999	3,109	2,435
15,950	16,000	2,593	2,008	3,125	2,446
16,000					
16,000	16,050	2,607	2,019	3,142	2,458
16,050	16,100	2,620	2,030	3,158	2,469
16,100	16,150	2,634	2,041	3,175	2,481
16,150	16,200	2,647	2,052	3,191	2,492
16,200	16,250	2,661	2,063	3,208	2,504

*This column must also be used by a qualifying widow(er).

Continued on next page

If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
16,250	16,300	2,674	2,074	3,224	2,515
16,300	16,350	2,688	2,085	3,241	2,527
16,350	16,400	2,701	2,096	3,257	2,538
16,400	16,450	2,715	2,107	3,274	2,550
16,450	16,500	2,728	2,118	3,290	2,561
16,500	16,550	2,742	2,129	3,307	2,573
16,550	16,600	2,755	2,140	3,323	2,584
16,600	16,650	2,769	2,151	3,340	2,596
16,650	16,700	2,782	2,162	3,356	2,607
16,700	16,750	2,796	2,173	3,373	2,619
16,750	16,800	2,809	2,184	3,389	2,630
16,800	16,850	2,823	2,195	3,406	2,642
16,850	16,900	2,836	2,206	3,422	2,653
16,900	16,950	2,850	2,217	3,439	2,665
16,950	17,000	2,863	2,228	3,455	2,676
17,000					
17,000	17,050	2,877	2,239	3,472	2,688
17,050	17,100	2,890	2,250	3,488	2,699
17,100	17,150	2,904	2,261	3,505	2,711
17,150	17,200	2,917	2,272	3,521	2,722
17,200	17,250	2,931	2,283	3,538	2,734
17,250	17,300	2,944	2,294	3,554	2,745
17,300	17,350	2,958	2,305	3,571	2,757
17,350	17,400	2,971	2,316	3,587	2,768
17,400	17,450	2,985	2,327	3,604	2,780
17,450	17,500	2,998	2,338	3,620	2,791
17,500	17,550	3,012	2,349	3,637	2,803
17,550	17,600	3,025	2,360	3,653	2,814
17,600	17,650	3,039	2,371	3,671	2,826
17,650	17,700	3,052	2,382	3,691	2,837
17,700	17,750	3,066	2,393	3,710	2,849
17,750	17,800	3,079	2,404	3,730	2,860
17,800	17,850	3,093	2,415	3,749	2,872
17,850	17,900	3,106	2,426	3,769	2,883
17,900	17,950	3,120	2,437	3,788	2,895
17,950	18,000	3,133	2,448	3,808	2,906
18,000					
18,000	18,050	3,147	2,459	3,827	2,915
18,050	18,100	3,160	2,470	3,847	2,929
18,100	18,150	3,174	2,481	3,866	2,941
18,150	18,200	3,187	2,492	3,886	2,952
18,200	18,250	3,202	2,503	3,905	2,965
18,250	18,300	3,217	2,514	3,925	2,979
18,300	18,350	3,233	2,525	3,944	2,993
18,350	18,400	3,248	2,536	3,964	3,007
18,400	18,450	3,264	2,547	3,983	3,021
18,450	18,500	3,279	2,558	4,003	3,035
18,500	18,550	3,295	2,569	4,022	3,049
18,550	18,600	3,310	2,580	4,042	3,063
18,600	18,650	3,326	2,591	4,061	3,077
18,650	18,700	3,341	2,602	4,081	3,091
18,700	18,750	3,357	2,613	4,100	3,105
18,750	18,800	3,372	2,624	4,120	3,119
18,800	18,850	3,388	2,635	4,139	3,133
18,850	18,900	3,403	2,646	4,159	3,147
18,900	18,950	3,419	2,657	4,178	3,161
18,950	19,000	3,434	2,668	4,198	3,175
19,000					
19,000	19,050	3,450	2,679	4,217	3,189
19,050	19,100	3,465	2,690	4,237	3,203
19,100	19,150	3,481	2,701	4,256	3,217
19,150	19,200	3,496	2,712	4,276	3,231
19,200	19,250	3,512	2,723	4,295	3,245
19,250	19,300	3,527	2,734	4,315	3,259
19,300	19,350	3,543	2,745	4,334	3,273
19,350	19,400	3,558	2,756	4,354	3,287
19,400	19,450	3,574	2,767	4,373	3,301
19,450	19,500	3,589	2,778	4,393	3,315
19,500	19,550	3,605	2,789	4,412	3,329
19,550	19,600	3,620	2,800	4,432	3,343
19,600	19,650	3,636	2,811	4,451	3,357
19,650	19,700	3,651	2,822	4,471	3,371
19,700	19,750	3,667	2,833	4,490	3,385
19,750	19,800	3,682	2,844	4,510	3,399
19,800	19,850	3,698	2,855	4,529	3,413
19,850	19,900	3,713	2,866	4,549	3,427
19,900	19,950	3,729	2,877	4,568	3,441
19,950	20,000	3,744	2,888	4,588	3,455
20,000					
20,000	20,050	3,760	2,899	4,607	3,469
20,050	20,100	3,775	2,910	4,627	3,483
20,100	20,150	3,791	2,921	4,646	3,497
20,150	20,200	3,806	2,932	4,666	3,511
20,200	20,250	3,822	2,943	4,685	3,525
20,250	20,300	3,837	2,956	4,705	3,539
20,300	20,350	3,853	2,968	4,724	3,553
20,350	20,400	3,868	2,981	4,744	3,567
20,400	20,450	3,884	2,993	4,763	3,581
20,450	20,500	3,899	3,006	4,783	3,595
20,500	20,550	3,915	3,018	4,802	3,609
20,550	20,600	3,930	3,031	4,822	3,623
20,600	20,650	3,946	3,043	4,841	3,637
20,650	20,700	3,961	3,056	4,861	3,651
20,700	20,750	3,977	3,068	4,880	3,665
20,750	20,800	3,992	3,081	4,900	3,679
20,800	20,850	4,008	3,093	4,919	3,693
20,850	20,900	4,023	3,106	4,939	3,707
20,900	20,950	4,039	3,118	4,958	3,721
20,950	21,000	4,054	3,131	4,978	3,735
21,000					
21,000	21,050	4,070	3,143	4,997	3,749
21,050	21,100	4,085	3,156	5,017	3,763
21,100	21,150	4,101	3,168	5,036	3,777
21,150	21,200	4,116	3,181	5,056	3,791
21,200	21,250	4,132	3,193	5,075	3,805
21,250	21,300	4,147	3,206	5,095	3,819
21,300	21,350	4,163	3,218	5,114	3,833
21,350	21,400	4,178	3,231	5,134	3,847
21,400	21,450	4,194	3,243	5,153	3,861
21,450	21,500	4,209	3,256	5,173	3,875
21,500	21,550	4,225	3,268	5,192	3,889
21,550	21,600	4,240	3,281	5,212	3,903
21,600	21,650	4,256	3,293	5,231	3,917
21,650	21,700	4,271	3,306	5,251	3,931
21,700	21,750	4,287	3,318	5,270	3,945
21,750	21,800	4,302	3,331	5,290	3,959
21,800	21,850	4,318	3,343	5,309	3,973
21,850	21,900	4,333	3,356	5,329	3,987
21,900	21,950	4,349	3,368	5,348	4,001
21,950	22,000	4,364	3,381	5,368	4,015
22,000					
22,000	22,050	4,380	3,393	5,387	4,029
22,050	22,100	4,395	3,406	5,407	4,043
22,100	22,150	4,411	3,418	5,426	4,057
22,150	22,200	4,426	3,431	5,446	4,071
22,200	22,250	4,442	3,443	5,465	4,085
22,250	22,300	4,457	3,456	5,485	4,099
22,300	22,350	4,473	3,468	5,504	4,113
22,350	22,400	4,488	3,481	5,524	4,127
22,400	22,450	4,504	3,493	5,543	4,141
22,450	22,500	4,519	3,506	5,563	4,155
22,500	22,550	4,535	3,518	5,582	4,169
22,550	22,600	4,550	3,531	5,602	4,183
22,600	22,650	4,566	3,543	5,621	4,197
22,650	22,700	4,581	3,556	5,641	4,211
22,700	22,750	4,597	3,568	5,660	4,225
22,750	22,800	4,612	3,581	5,680	4,239
22,800	22,850	4,628	3,593	5,699	4,253
22,850	22,900	4,643	3,606	5,719	4,267
22,900	22,950	4,659	3,618	5,740	4,281
22,950	23,000	4,674	3,631	5,762	4,295
23,000					
23,000	23,050	4,690	3,643	5,784	4,309
23,050	23,100	4,705	3,656	5,806	4,323
23,100	23,150	4,721	3,668	5,828	4,337
23,150	23,200	4,736	3,681	5,850	4,351
23,200	23,250	4,752	3,693	5,872	4,365
23,250	23,300	4,767	3,706	5,894	4,379
23,300	23,350	4,783	3,718	5,916	4,393
23,350	23,400	4,798	3,731	5,938	4,407
23,400	23,450	4,814	3,743	5,960	4,421
23,450	23,500	4,829	3,756	5,982	4,435
23,500	23,550	4,846	3,768	6,004	4,450
23,550	23,600	4,863	3,781	6,026	4,466
23,600	23,650	4,881	3,793	6,048	4,482
23,650	23,700	4,898	3,806	6,070	4,498
23,700	23,750	4,916	3,818	6,092	4,514
23,750	23,800	4,933	3,831	6,114	4,530
23,800	23,850	4,951	3,843	6,136	4,546
23,850	23,900	4,968	3,856	6,158	4,562
23,900	23,950	4,986	3,868	6,180	4,578
23,950	24,000	5,003	3,881	6,202	4,594
24,000					
24,000	24,050	5,021	3,893	6,224	4,610
24,050	24,100	5,038	3,906	6,246	4,626
24,100	24,150	5,056	3,918	6,268	4,642
24,150	24,200	5,073	3,931	6,290	4,658
24,200	24,250	5,091	3,943	6,312	4,674
24,250	24,300	5,108	3,956	6,334	4,690
24,300	24,350	5,126	3,968	6,356	4,706
24,350	24,400	5,143	3,981	6,378	4,722
24,400	24,450	5,161	3,993	6,400	4,738
24,450	24,500	5,178	4,006	6,422	4,754

*This column must also be used by a qualifying widow(er).

Continued on next page

If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
24,500	24,550	5,196	4,018	6,444	4,770
24,550	24,600	5,213	4,031	6,466	4,786
24,600	24,650	5,231	4,044	6,488	4,802
24,650	24,700	5,248	4,059	6,510	4,818
24,700	24,750	5,266	4,073	6,532	4,834
24,750	24,800	5,283	4,088	6,554	4,850
24,800	24,850	5,301	4,102	6,576	4,866
24,850	24,900	5,318	4,117	6,598	4,882
24,900	24,950	5,336	4,131	6,620	4,898
24,950	25,000	5,353	4,146	6,642	4,914
25,000					
25,000	25,050	5,371	4,160	6,664	4,930
25,050	25,100	5,388	4,175	6,686	4,946
25,100	25,150	5,406	4,189	6,708	4,962
25,150	25,200	5,423	4,204	6,730	4,978
25,200	25,250	5,441	4,218	6,752	4,994
25,250	25,300	5,458	4,233	6,774	5,010
25,300	25,350	5,476	4,247	6,796	5,026
25,350	25,400	5,493	4,262	6,818	5,042
25,400	25,450	5,511	4,276	6,840	5,058
25,450	25,500	5,528	4,291	6,862	5,074
25,500	25,550	5,546	4,305	6,884	5,090
25,550	25,600	5,563	4,320	6,906	5,106
25,600	25,650	5,581	4,334	6,928	5,122
25,650	25,700	5,598	4,349	6,950	5,138
25,700	25,750	5,616	4,363	6,972	5,154
25,750	25,800	5,633	4,378	6,994	5,170
25,800	25,850	5,651	4,392	7,016	5,186
25,850	25,900	5,668	4,407	7,038	5,202
25,900	25,950	5,686	4,421	7,060	5,218
25,950	26,000	5,703	4,436	7,082	5,234
26,000					
26,000	26,050	5,721	4,450	7,104	5,250
26,050	26,100	5,738	4,465	7,126	5,266
26,100	26,150	5,756	4,479	7,148	5,282
26,150	26,200	5,773	4,494	7,170	5,298
26,200	26,250	5,791	4,508	7,192	5,314
26,250	26,300	5,808	4,523	7,214	5,330
26,300	26,350	5,826	4,537	7,236	5,346
26,350	26,400	5,843	4,552	7,258	5,362
26,400	26,450	5,861	4,566	7,280	5,378
26,450	26,500	5,878	4,581	7,302	5,394
26,500	26,550	5,896	4,595	7,324	5,410
26,550	26,600	5,913	4,610	7,346	5,426
26,600	26,650	5,931	4,624	7,368	5,442
26,650	26,700	5,948	4,639	7,390	5,458
26,700	26,750	5,966	4,653	7,412	5,474
26,750	26,800	5,983	4,668	7,434	5,490
26,800	26,850	6,001	4,682	7,456	5,506
26,850	26,900	6,018	4,697	7,478	5,522
26,900	26,950	6,036	4,711	7,500	5,538
26,950	27,000	6,053	4,726	7,522	5,554
27,000					
27,000	27,050	6,071	4,740	7,544	5,570
27,050	27,100	6,088	4,755	7,566	5,586
27,100	27,150	6,106	4,769	7,588	5,602
27,150	27,200	6,123	4,784	7,610	5,618
27,200	27,250	6,141	4,798	7,632	5,634
27,250	27,300	6,158	4,813	7,654	5,650
27,300	27,350	6,176	4,827	7,676	5,666
27,350	27,400	6,193	4,842	7,698	5,682
27,400	27,450	6,211	4,856	7,720	5,698
27,450	27,500	6,228	4,871	7,742	5,714
27,500	27,550	6,246	4,885	7,764	5,730
27,550	27,600	6,263	4,900	7,786	5,746
27,600	27,650	6,281	4,914	7,808	5,762
27,650	27,700	6,298	4,929	7,830	5,778
27,700	27,750	6,316	4,943	7,852	5,794
27,750	27,800	6,333	4,958	7,874	5,810
27,800	27,850	6,351	4,972	7,896	5,826
27,850	27,900	6,368	4,987	7,918	5,842
27,900	27,950	6,386	5,001	7,940	5,858
27,950	28,000	6,403	5,016	7,962	5,874
28,000					
28,000	28,050	6,421	5,030	7,984	5,890
28,050	28,100	6,438	5,045	8,006	5,906
28,100	28,150	6,456	5,059	8,028	5,922
28,150	28,200	6,473	5,074	8,050	5,938
28,200	28,250	6,491	5,088	8,072	5,954
28,250	28,300	6,508	5,103	8,094	5,970
28,300	28,350	6,526	5,117	8,116	5,986
28,350	28,400	6,543	5,132	8,138	6,002
28,400	28,450	6,561	5,146	8,160	6,018
28,450	28,500	6,578	5,161	8,182	6,034
28,500	28,550	6,596	5,175	8,204	6,050
28,550	28,600	6,613	5,190	8,226	6,066
28,600	28,650	6,631	5,204	8,248	6,082
28,650	28,700	6,648	5,219	8,270	6,098
28,700	28,750	6,666	5,233	8,292	6,114
28,750	28,800	6,683	5,248	8,314	6,130
28,800	28,850	6,702	5,262	8,336	6,148
28,850	28,900	6,722	5,277	8,358	6,167
28,900	28,950	6,742	5,291	8,380	6,186
28,950	29,000	6,762	5,306	8,402	6,205
29,000					
29,000	29,050	6,782	5,320	8,424	6,224
29,050	29,100	6,802	5,335	8,446	6,243
29,100	29,150	6,822	5,349	8,468	6,262
29,150	29,200	6,842	5,364	8,490	6,281
29,200	29,250	6,862	5,378	8,512	6,300
29,250	29,300	6,882	5,393	8,534	6,319
29,300	29,350	6,902	5,407	8,556	6,338
29,350	29,400	6,922	5,422	8,578	6,357
29,400	29,450	6,942	5,436	8,600	6,376
29,450	29,500	6,962	5,451	8,622	6,395
29,500	29,550	6,982	5,465	8,644	6,414
29,550	29,600	7,002	5,480	8,666	6,433
29,600	29,650	7,022	5,494	8,688	6,452
29,650	29,700	7,042	5,509	8,710	6,471
29,700	29,750	7,062	5,523	8,732	6,490
29,750	29,800	7,082	5,538	8,754	6,509
29,800	29,850	7,102	5,552	8,776	6,528
29,850	29,900	7,122	5,567	8,798	6,547
29,900	29,950	7,142	5,582	8,820	6,566
29,950	30,000	7,162	5,599	8,842	6,585
30,000					
30,000	30,050	7,182	5,615	8,865	6,604
30,050	30,100	7,202	5,632	8,889	6,623
30,100	30,150	7,222	5,648	8,914	6,642
30,150	30,200	7,242	5,665	8,938	6,661
30,200	30,250	7,262	5,681	8,963	6,680
30,250	30,300	7,282	5,698	8,987	6,699
30,300	30,350	7,302	5,714	9,012	6,718
30,350	30,400	7,322	5,731	9,036	6,737
30,400	30,450	7,342	5,747	9,061	6,756
30,450	30,500	7,362	5,764	9,085	6,775
30,500	30,550	7,382	5,780	9,110	6,794
30,550	30,600	7,402	5,797	9,134	6,813
30,600	30,650	7,422	5,813	9,159	6,832
30,650	30,700	7,442	5,830	9,183	6,851
30,700	30,750	7,462	5,846	9,208	6,870
30,750	30,800	7,482	5,863	9,232	6,889
30,800	30,850	7,502	5,879	9,257	6,908
30,850	30,900	7,522	5,896	9,281	6,927
30,900	30,950	7,542	5,912	9,306	6,946
30,950	31,000	7,562	5,929	9,330	6,965
31,000					
31,000	31,050	7,582	5,945	9,355	6,984
31,050	31,100	7,602	5,962	9,379	7,003
31,100	31,150	7,622	5,978	9,404	7,022
31,150	31,200	7,642	5,995	9,428	7,041
31,200	31,250	7,662	6,011	9,453	7,060
31,250	31,300	7,682	6,028	9,477	7,079
31,300	31,350	7,702	6,044	9,502	7,098
31,350	31,400	7,722	6,061	9,526	7,117
31,400	31,450	7,742	6,077	9,551	7,136
31,450	31,500	7,762	6,094	9,575	7,155
31,500	31,550	7,782	6,110	9,600	7,174
31,550	31,600	7,802	6,127	9,624	7,193
31,600	31,650	7,822	6,143	9,649	7,212
31,650	31,700	7,842	6,160	9,673	7,231
31,700	31,750	7,862	6,176	9,698	7,250
31,750	31,800	7,882	6,193	9,722	7,269
31,800	31,850	7,902	6,209	9,747	7,288
31,850	31,900	7,922	6,226	9,771	7,307
31,900	31,950	7,942	6,242	9,796	7,326
31,950	32,000	7,962	6,259	9,820	7,345
32,000					
32,000	32,050	7,982	6,275	9,845	7,364
32,050	32,100	8,002	6,292	9,869	7,383
32,100	32,150	8,022	6,308	9,894	7,402
32,150	32,200	8,042	6,325	9,918	7,421
32,200	32,250	8,062	6,341	9,943	7,440
32,250	32,300	8,082	6,358	9,967	7,459
32,300	32,350	8,102	6,374	9,992	7,478
32,350	32,400	8,122	6,391	10,016	7,497
32,400	32,450	8,142	6,407	10,041	7,516
32,450	32,500	8,162	6,424	10,065	7,535
32,500	32,550	8,182	6,440	10,090	7,554
32,550	32,600	8,202	6,457	10,114	7,573
32,600	32,650	8,222	6,473	10,139	7,592
32,650	32,700	8,242	6,490	10,163	7,611
32,700	32,750	8,262	6,506	10,188	7,630

*This column must also be used by a qualifying widow(er).

Continued on next page

If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
32,750	32,800	8,282	6,523	10,212	7,649
32,800	32,850	8,302	6,539	10,237	7,668
32,850	32,900	8,322	6,556	10,261	7,687
32,900	32,950	8,342	6,572	10,286	7,706
32,950	33,000	8,362	6,589	10,310	7,725
33,000					
33,000	33,050	8,382	6,605	10,335	7,744
33,050	33,100	8,402	6,622	10,359	7,763
33,100	33,150	8,422	6,638	10,384	7,782
33,150	33,200	8,442	6,655	10,408	7,801
33,200	33,250	8,462	6,671	10,433	7,820
33,250	33,300	8,482	6,688	10,457	7,839
33,300	33,350	8,502	6,704	10,482	7,858
33,350	33,400	8,522	6,721	10,506	7,877
33,400	33,450	8,542	6,737	10,531	7,896
33,450	33,500	8,562	6,754	10,555	7,915
33,500	33,550	8,582	6,770	10,580	7,934
33,550	33,600	8,602	6,787	10,604	7,953
33,600	33,650	8,622	6,803	10,629	7,972
33,650	33,700	8,642	6,820	10,653	7,991
33,700	33,750	8,662	6,836	10,678	8,010
33,750	33,800	8,682	6,853	10,702	8,029
33,800	33,850	8,702	6,869	10,727	8,048
33,850	33,900	8,722	6,886	10,751	8,067
33,900	33,950	8,742	6,902	10,776	8,086
33,950	34,000	8,762	6,919	10,800	8,105
34,000					
34,000	34,050	8,782	6,935	10,825	8,124
34,050	34,100	8,802	6,952	10,849	8,143
34,100	34,150	8,823	6,968	10,874	8,162
34,150	34,200	8,845	6,985	10,898	8,183
34,200	34,250	8,867	7,001	10,923	8,203
34,250	34,300	8,889	7,018	10,947	8,224
34,300	34,350	8,911	7,034	10,972	8,244
34,350	34,400	8,933	7,051	10,996	8,265
34,400	34,450	8,955	7,067	11,021	8,285
34,450	34,500	8,977	7,084	11,045	8,306
34,500	34,550	8,999	7,100	11,070	8,326
34,550	34,600	9,021	7,117	11,094	8,347
34,600	34,650	9,043	7,133	11,119	8,367
34,650	34,700	9,065	7,150	11,143	8,388
34,700	34,750	9,087	7,166	11,168	8,408
34,750	34,800	9,109	7,183	11,192	8,429
34,800	34,850	9,131	7,199	11,217	8,449
34,850	34,900	9,153	7,216	11,241	8,470
34,900	34,950	9,175	7,232	11,266	8,490
34,950	35,000	9,197	7,249	11,290	8,511
35,000					
35,000	35,050	9,219	7,265	11,315	8,531
35,050	35,100	9,241	7,282	11,339	8,552
35,100	35,150	9,263	7,298	11,364	8,572
35,150	35,200	9,285	7,315	11,388	8,593
35,200	35,250	9,307	7,333	11,413	8,613
35,250	35,300	9,329	7,352	11,437	8,634
35,300	35,350	9,351	7,372	11,462	8,654
35,350	35,400	9,373	7,391	11,486	8,675
35,400	35,450	9,395	7,411	11,511	8,695
35,450	35,500	9,417	7,430	11,535	8,716
35,500	35,550	9,439	7,450	11,560	8,736
35,550	35,600	9,461	7,469	11,584	8,757
35,600	35,650	9,483	7,489	11,609	8,777
35,650	35,700	9,505	7,508	11,633	8,798
35,700	35,750	9,527	7,528	11,658	8,818
35,750	35,800	9,549	7,547	11,682	8,839
35,800	35,850	9,571	7,567	11,707	8,859
35,850	35,900	9,593	7,586	11,731	8,880
35,900	35,950	9,615	7,606	11,756	8,900
35,950	36,000	9,637	7,625	11,780	8,921
36,000					
36,000	36,050	9,659	7,645	11,805	8,941
36,050	36,100	9,681	7,664	11,829	8,962
36,100	36,150	9,703	7,684	11,854	8,982
36,150	36,200	9,725	7,703	11,878	9,003
36,200	36,250	9,747	7,723	11,903	9,023
36,250	36,300	9,769	7,742	11,927	9,044
36,300	36,350	9,791	7,762	11,952	9,064
36,350	36,400	9,813	7,781	11,976	9,085
36,400	36,450	9,835	7,801	12,001	9,105
36,450	36,500	9,857	7,820	12,025	9,126
36,500	36,550	9,879	7,840	12,050	9,146
36,550	36,600	9,901	7,859	12,074	9,167
36,600	36,650	9,923	7,879	12,099	9,187
36,650	36,700	9,945	7,898	12,123	9,208
36,700	36,750	9,967	7,918	12,148	9,228
36,750	36,800	9,989	7,937	12,172	9,249
36,800	36,850	10,011	7,957	12,197	9,269
36,850	36,900	10,033	7,976	12,221	9,290
36,900	36,950	10,055	7,996	12,246	9,310
36,950	37,000	10,077	8,015	12,270	9,331
37,000					
37,000	37,050	10,099	8,035	12,295	9,351
37,050	37,100	10,121	8,054	12,319	9,372
37,100	37,150	10,143	8,074	12,344	9,392
37,150	37,200	10,165	8,093	12,368	9,413
37,200	37,250	10,187	8,113	12,393	9,433
37,250	37,300	10,209	8,132	12,417	9,454
37,300	37,350	10,231	8,152	12,442	9,474
37,350	37,400	10,253	8,171	12,466	9,495
37,400	37,450	10,275	8,191	12,491	9,515
37,450	37,500	10,297	8,210	12,515	9,536
37,500	37,550	10,319	8,230	12,540	9,556
37,550	37,600	10,341	8,249	12,564	9,577
37,600	37,650	10,363	8,269	12,589	9,597
37,650	37,700	10,385	8,288	12,613	9,618
37,700	37,750	10,407	8,308	12,638	9,636
37,750	37,800	10,429	8,327	12,662	9,659
37,800	37,850	10,451	8,347	12,687	9,679
37,850	37,900	10,473	8,366	12,711	9,700
37,900	37,950	10,495	8,386	12,736	9,720
37,950	38,000	10,517	8,405	12,760	9,741
38,000					
38,000	38,050	10,539	8,425	12,785	9,761
38,050	38,100	10,561	8,444	12,809	9,782
38,100	38,150	10,583	8,464	12,834	9,802
38,150	38,200	10,605	8,483	12,858	9,823
38,200	38,250	10,627	8,503	12,883	9,843
38,250	38,300	10,649	8,522	12,907	9,864
38,300	38,350	10,671	8,542	12,932	9,884
38,350	38,400	10,693	8,561	12,956	9,905
38,400	38,450	10,715	8,581	12,981	9,925
38,450	38,500	10,737	8,600	13,005	9,946
38,500	38,550	10,759	8,620	13,030	9,966
38,550	38,600	10,781	8,639	13,054	9,987
38,600	38,650	10,803	8,659	13,079	10,007
38,650	38,700	10,825	8,678	13,103	10,028
38,700	38,750	10,847	8,698	13,128	10,048
38,750	38,800	10,869	8,717	13,152	10,069
38,800	38,850	10,891	8,737	13,177	10,089
38,850	38,900	10,913	8,756	13,201	10,110
38,900	38,950	10,935	8,776	13,226	10,130
38,950	39,000	10,957	8,795	13,250	10,151
39,000					
39,000	39,050	10,979	8,815	13,275	10,171
39,050	39,100	11,001	8,834	13,299	10,192
39,100	39,150	11,023	8,854	13,324	10,212
39,150	39,200	11,045	8,873	13,348	10,233
39,200	39,250	11,067	8,893	13,373	10,253
39,250	39,300	11,089	8,912	13,397	10,274
39,300	39,350	11,111	8,932	13,422	10,294
39,350	39,400	11,133	8,951	13,446	10,315
39,400	39,450	11,155	8,971	13,471	10,335
39,450	39,500	11,177	8,990	13,495	10,356
39,500	39,550	11,199	9,010	13,520	10,376
39,550	39,600	11,221	9,029	13,544	10,397
39,600	39,650	11,243	9,049	13,569	10,417
39,650	39,700	11,265	9,068	13,593	10,438
39,700	39,750	11,287	9,088	13,618	10,458
39,750	39,800	11,309	9,107	13,642	10,479
39,800	39,850	11,331	9,127	13,667	10,499
39,850	39,900	11,353	9,146	13,691	10,520
39,900	39,950	11,375	9,166	13,716	10,540
39,950	40,000	11,397	9,185	13,740	10,561
40,000					
40,000	40,050	11,419	9,205	13,765	10,581
40,050	40,100	11,441	9,224	13,789	10,602
40,100	40,150	11,463	9,244	13,814	10,622
40,150	40,200	11,485	9,263	13,838	10,643
40,200	40,250	11,507	9,283	13,863	10,663
40,250	40,300	11,529	9,302	13,887	10,684
40,300	40,350	11,551	9,322	13,912	10,704
40,350	40,400	11,573	9,341	13,936	10,725
40,400	40,450	11,595	9,361	13,961	10,745
40,450	40,500	11,617	9,380	13,985	10,766
40,500	40,550	11,639	9,400	14,010	10,786
40,550	40,600	11,661	9,419	14,034	10,807
40,600	40,650	11,683	9,439	14,059	10,827
40,650	40,700	11,705	9,458	14,083	10,848
40,700	40,750	11,727	9,478	14,108	10,868
40,750	40,800	11,749	9,497	14,132	10,889
40,800	40,850	11,771	9,517	14,157	10,909
40,850	40,900	11,793	9,536	14,181	10,930
40,900	40,950	11,815	9,556	14,206	10,950
40,950	41,000	11,837	9,575	14,230	10,971

*This column must also be used by a qualifying widow(er).

Continued on next page

If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
41,000					
41,000	41,050	11,859	9,595	14,255	10,991
41,050	41,100	11,881	9,614	14,279	11,012
41,100	41,150	11,903	9,634	14,304	11,032
41,150	41,200	11,925	9,653	14,328	11,053
41,200	41,250	11,947	9,673	14,353	11,073
41,250	41,300	11,969	9,692	14,377	11,094
41,300	41,350	11,991	9,712	14,402	11,114
41,350	41,400	12,013	9,731	14,426	11,135
41,400	41,450	12,035	9,751	14,451	11,155
41,450	41,500	12,057	9,770	14,475	11,176
41,500	41,550	12,081	9,790	14,500	11,196
41,550	41,600	12,106	9,809	14,524	11,217
41,600	41,650	12,131	9,829	14,549	11,237
41,650	41,700	12,156	9,848	14,573	11,258
41,700	41,750	12,181	9,868	14,598	11,278
41,750	41,800	12,206	9,887	14,622	11,299
41,800	41,850	12,231	9,907	14,647	11,319
41,850	41,900	12,256	9,926	14,671	11,340
41,900	41,950	12,281	9,946	14,696	11,360
41,950	42,000	12,306	9,965	14,720	11,381
42,000					
42,000	42,050	12,331	9,985	14,745	11,401
42,050	42,100	12,356	10,004	14,769	11,422
42,100	42,150	12,381	10,024	14,794	11,442
42,150	42,200	12,406	10,043	14,818	11,463
42,200	42,250	12,431	10,063	14,843	11,483
42,250	42,300	12,456	10,082	14,867	11,504
42,300	42,350	12,481	10,102	14,892	11,524
42,350	42,400	12,506	10,121	14,916	11,545
42,400	42,450	12,531	10,141	14,941	11,565
42,450	42,500	12,556	10,160	14,965	11,586
42,500	42,550	12,581	10,180	14,990	11,606
42,550	42,600	12,606	10,199	15,014	11,627
42,600	42,650	12,631	10,219	15,039	11,647
42,650	42,700	12,656	10,238	15,063	11,668
42,700	42,750	12,681	10,258	15,088	11,688
42,750	42,800	12,706	10,277	15,112	11,709
42,800	42,850	12,731	10,297	15,137	11,729
42,850	42,900	12,756	10,316	15,162	11,750
42,900	42,950	12,781	10,336	15,187	11,770
42,950	43,000	12,806	10,355	15,212	11,791
43,000					
43,000	43,050	12,831	10,375	15,237	11,811
43,050	43,100	12,856	10,394	15,262	11,832
43,100	43,150	12,881	10,414	15,287	11,852
43,150	43,200	12,906	10,433	15,312	11,873
43,200	43,250	12,931	10,453	15,337	11,893
43,250	43,300	12,956	10,472	15,362	11,914
43,300	43,350	12,981	10,492	15,387	11,934
43,350	43,400	13,006	10,511	15,412	11,955
43,400	43,450	13,031	10,531	15,437	11,975
43,450	43,500	13,056	10,550	15,462	11,996
43,500	43,550	13,081	10,570	15,487	12,016
43,550	43,600	13,106	10,589	15,512	12,037
43,600	43,650	13,131	10,609	15,537	12,057
43,650	43,700	13,156	10,628	15,562	12,078
43,700	43,750	13,181	10,648	15,587	12,098
43,750	43,800	13,206	10,667	15,612	12,119
43,800	43,850	13,231	10,687	15,637	12,139
43,850	43,900	13,256	10,706	15,662	12,160
43,900	43,950	13,281	10,726	15,687	12,180
43,950	44,000	13,306	10,745	15,712	12,201
44,000					
44,000	44,050	13,331	10,765	15,737	12,221
44,050	44,100	13,356	10,784	15,762	12,242
44,100	44,150	13,381	10,804	15,787	12,262
44,150	44,200	13,406	10,823	15,812	12,283
44,200	44,250	13,431	10,843	15,837	12,303
44,250	44,300	13,456	10,862	15,862	12,324
44,300	44,350	13,481	10,882	15,887	12,344
44,350	44,400	13,506	10,901	15,912	12,365
44,400	44,450	13,531	10,921	15,937	12,385
44,450	44,500	13,556	10,940	15,962	12,406
44,500	44,550	13,581	10,960	15,987	12,426
44,550	44,600	13,606	10,979	16,012	12,447
44,600	44,650	13,631	10,999	16,037	12,467
44,650	44,700	13,656	11,018	16,062	12,488
44,700	44,750	13,681	11,038	16,087	12,510
44,750	44,800	13,706	11,057	16,112	12,535
44,800	44,850	13,731	11,077	16,137	12,559
44,850	44,900	13,756	11,096	16,162	12,584
44,900	44,950	13,781	11,116	16,187	12,608
44,950	45,000	13,806	11,135	16,212	12,633
45,000					
45,000	45,050	13,831	11,155	16,237	12,657
45,050	45,100	13,856	11,174	16,262	12,682
45,100	45,150	13,881	11,194	16,287	12,706
45,150	45,200	13,906	11,213	16,312	12,731
45,200	45,250	13,931	11,233	16,337	12,755
45,250	45,300	13,956	11,252	16,362	12,780
45,300	45,350	13,981	11,272	16,387	12,804
45,350	45,400	14,006	11,291	16,412	12,829
45,400	45,450	14,031	11,311	16,437	12,853
45,450	45,500	14,056	11,330	16,462	12,878
45,500	45,550	14,081	11,350	16,487	12,902
45,550	45,600	14,106	11,369	16,512	12,927
45,600	45,650	14,131	11,389	16,537	12,951
45,650	45,700	14,156	11,408	16,562	12,976
45,700	45,750	14,181	11,428	16,587	13,000
45,750	45,800	14,206	11,447	16,612	13,025
45,800	45,850	14,231	11,468	16,637	13,049
45,850	45,900	14,256	11,490	16,662	13,074
45,900	45,950	14,281	11,512	16,687	13,098
45,950	46,000	14,306	11,534	16,712	13,123
46,000					
46,000	46,050	14,331	11,556	16,737	13,147
46,050	46,100	14,356	11,578	16,762	13,172
46,100	46,150	14,381	11,600	16,787	13,196
46,150	46,200	14,406	11,622	16,812	13,221
46,200	46,250	14,431	11,644	16,837	13,245
46,250	46,300	14,456	11,666	16,862	13,270
46,300	46,350	14,481	11,688	16,887	13,294
46,350	46,400	14,506	11,710	16,912	13,319
46,400	46,450	14,531	11,732	16,937	13,343
46,450	46,500	14,556	11,754	16,962	13,368
46,500	46,550	14,581	11,776	16,987	13,392
46,550	46,600	14,606	11,798	17,012	13,417
46,600	46,650	14,631	11,820	17,037	13,441
46,650	46,700	14,656	11,842	17,062	13,466
46,700	46,750	14,681	11,864	17,087	13,490
46,750	46,800	14,706	11,886	17,112	13,515
46,800	46,850	14,731	11,908	17,137	13,539
46,850	46,900	14,756	11,930	17,162	13,564
46,900	46,950	14,781	11,952	17,187	13,588
46,950	47,000	14,806	11,974	17,212	13,613
47,000					
47,000	47,050	14,831	11,996	17,237	13,637
47,050	47,100	14,856	12,018	17,262	13,662
47,100	47,150	14,881	12,040	17,287	13,686
47,150	47,200	14,906	12,062	17,312	13,711
47,200	47,250	14,931	12,084	17,337	13,735
47,250	47,300	14,956	12,106	17,362	13,760
47,300	47,350	14,981	12,128	17,387	13,784
47,350	47,400	15,006	12,150	17,412	13,809
47,400	47,450	15,031	12,172	17,437	13,833
47,450	47,500	15,056	12,194	17,462	13,858
47,500	47,550	15,081	12,216	17,487	13,882
47,550	47,600	15,106	12,238	17,512	13,907
47,600	47,650	15,131	12,260	17,537	13,931
47,650	47,700	15,156	12,282	17,562	13,956
47,700	47,750	15,181	12,304	17,587	13,980
47,750	47,800	15,206	12,326	17,612	14,005
47,800	47,850	15,231	12,348	17,637	14,029
47,850	47,900	15,256	12,370	17,662	14,054
47,900	47,950	15,281	12,392	17,687	14,078
47,950	48,000	15,306	12,414	17,712	14,103
48,000					
48,000	48,050	15,331	12,436	17,737	14,127
48,050	48,100	15,356	12,458	17,762	14,152
48,100	48,150	15,381	12,480	17,787	14,176
48,150	48,200	15,406	12,502	17,812	14,201
48,200	48,250	15,431	12,524	17,837	14,225
48,250	48,300	15,456	12,546	17,862	14,250
48,300	48,350	15,481	12,568	17,887	14,274
48,350	48,400	15,506	12,590	17,912	14,299
48,400	48,450	15,531	12,612	17,937	14,323
48,450	48,500	15,556	12,634	17,962	14,348
48,500	48,550	15,581	12,656	17,987	14,372
48,550	48,600	15,606	12,678	18,012	14,397
48,600	48,650	15,631	12,700	18,037	14,421
48,650	48,700	15,656	12,722	18,062	14,446
48,700	48,750	15,681	12,744	18,087	14,470
48,750	48,800	15,706	12,766	18,112	14,495
48,800	48,850	15,731	12,788	18,137	14,519
48,850	48,900	15,756	12,810	18,162	14,544
48,900	48,950	15,781	12,832	18,187	14,568
48,950	49,000	15,806	12,854	18,212	14,593
49,000					
49,000	49,050	15,831	12,876	18,237	14,617
49,050	49,100	15,856	12,898	18,262	14,642
49,100	49,150	15,881	12,920	18,287	14,666
49,150	49,200	15,906	12,942	18,312	14,691
49,200	49,250	15,931	12,964	18,337	14,715
49,250	49,300	15,956	12,986	18,362	14,740
49,300	49,350	15,981	13,008	18,387	14,764
49,350	49,400	16,006	13,030	18,412	14,789
49,400	49,450	16,031	13,052	18,437	14,813
49,450	49,500	16,056	13,074	18,462	14,838
49,500	49,550	16,081	13,096	18,487	14,862
49,550	49,600	16,106	13,118	18,512	14,887
49,600	49,650	16,131	13,140	18,537	14,911
49,650	49,700	16,156	13,162	18,562	14,936
49,700	49,750	16,181	13,184	18,587	14,960
49,750	49,800	16,206	13,206	18,612	14,985
49,800	49,850	16,231	13,228	18,637	15,009
49,850	49,900	16,256	13,250	18,662	15,034
49,900	49,950	16,281	13,272	18,687	15,058
49,950	50,000	16,306	13,294	18,712	15,083

*This column must also be used by a qualifying widow(er).

50,000 or over—use tax rate schedules

1982 Tax Rate Schedules

Your zero bracket amount has been built into these Tax Rate Schedules.

Caution: You must use the Tax Table instead of these Tax Rate Schedules if your taxable income is less than $50,000 unless you use Schedule G (income averaging), to figure your tax. In that case, even if your taxable income is less than $50,000, use the rate schedules on this page to figure your tax.

Schedule X

Single Taxpayers

Use this Schedule if you checked **Filing Status Box 1** on Form 1040—

If the amount on Form 1040, line 37 is:		Enter on Form 1040, line 38	
Over—	*But not Over—*		*of the amount over—*
$0	$2,300	—0—	
2,300	3,400	............12%	$2,300
3,400	4,400	$132+14%	3,400
4,400	6,500	272+16%	4,400
6,500	8,500	608+17%	6,500
8,500	10,800	948+19%	8,500
10,800	12,900	1,385+22%	10,800
12,900	15,000	1,847+23%	12,900
15,000	18,200	2,330+27%	15,000
18,200	23,500	3,194+31%	18,200
23,500	28,800	4,837+35%	23,500
28,800	34,100	6,692+40%	28,800
34,100	41,500	8,812+44%	34,100
41,500	....	12,068+50%	41,500

Schedule Z

Unmarried Heads of Household

(including certain married persons who live apart (and abandoned spouses)—see page 6 of the instructions)

Use this schedule if you checked **Filing Status Box 4** on Form 1040—

If the amount on Form 1040, line 37 is:		Enter on Form 1040, line 38	
Over—	*But not Over—*		*of the amount over—*
$0	$2,300	—0—	
2,300	4,400	............12%	$2,300
4,400	6,500	$252+14%	4,400
6,500	8,700	546+16%	6,500
8,700	11,800	898+20%	8,700
11,800	15,000	1,518+22%	11,800
15,000	18,200	2,222+23%	15,000
18,200	23,500	2,958+28%	18,200
23,500	28,800	4,442+32%	23,500
28,800	34,100	6,138+38%	28,800
34,100	44,700	8,152+41%	34,100
44,700	60,600	12,498+49%	44,700
60,600	....	20,289+50%	60,600

Schedule Y

Married Taxpayers and Qualifying Widows and Widowers

Married Filing Joint Returns and Qualifying Widows and Widowers

Use this schedule if you checked **Filing Status Box 2 or 5** on Form 1040—

If the amount on Form 1040, line 37 is:		Enter on Form 1040, line 38	
Over—	*But not Over—*		*of the amount over—*
$0	$3,400	—0—	
3,400	5,500	............12%	$3,400
5,500	7,600	$252+14%	5,500
7,600	11,900	546+16%	7,600
11,900	16,000	1,234+19%	11,900
16,000	20,200	2,013+22%	16,000
20,200	24,600	2,937+25%	20,200
24,600	29,900	4,037+29%	24,600
29,900	35,200	5,574+33%	29,900
35,200	45,800	7,323+39%	35,200
45,800	60,000	11,457+44%	45,800
60,000	85,600	17,705+49%	60,000
85,600	....	30,249+50%	85,600

Married Filing Separate Returns

Use this schedule if you checked **Filing Status Box 3** on Form 1040—

If the amount on Form 1040, line 37 is:		Enter on Form 1040, line 38	
Over—	*But not Over—*		*of the amount over—*
$0	$1,700	—0—	
1,700	2,750	............12%	$1,700
2,750	3,800	$126.00+14%	2,750
3,800	5,950	273.00+16%	3,800
5,950	8,000	617.00+19%	5,950
8,000	10,100	1,006.50+22%	8,000
10,100	12,300	1,468.50+25%	10,100
12,300	14,950	2,018.50+29%	12,300
14,950	17,600	2,787.00+33%	14,950
17,600	22,900	3,661.50+39%	17,600
22,900	30,000	5,728.50+44%	22,900
30,000	42,800	8,852.50+49%	30,000
42,800	....	15,124.50+50%	42,800

Privacy Act and Paperwork Reduction Act Notice

The Privacy Act of 1974 and Paperwork Reduction Act of 1980 say that when we ask you for information, we must tell you:

a. Our legal right to ask for the information.

b. What major purposes we have in asking for it, and how it will be used.

c. What could happen if we do not receive it.

d. Whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

For the Internal Revenue Service, the laws include:

- Tax returns and any papers filed with them.
- Any questions we need to ask you so we can:

  Complete, correct, or process your return.

  Figure your tax.

  Collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001 and 6011 and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Your response is mandatory under these sections. Code section 6109 and its regulations say that you must show your social security number on what you file. This is so we know who you are, and can process your return and papers.

You must fill in all parts of the tax form that apply to you. But you do not have to check the boxes for the Presidential Election Campaign Fund.

We ask for tax return information to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax.

We may give the information to the Department of Justice and to other Federal agencies, as provided by law. We may also give it to States, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. And we may give it to foreign governments because of tax treaties they have with the United States.

If you do not file a return, do not provide the information we ask for, or provide fraudulent information, the law provides that you may be charged penalties and, in certain cases, you may be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

1982 Earned Income Credit Table

Caution: This is Not a Tax Table

To find your earned income credit: Read down the column titled "If line 3 or 4 of the worksheet is—" and find the appropriate amount from the Earned Income Credit Worksheet on page 15. Read across to the right and find the amount of the earned income credit. Enter that amount on line 5 or 6 of the worksheet, whichever applies.

If line 3 or 4 of the worksheet is—		Your earned income credit is—	If line 3 or 4 of the worksheet is—		Your earned income credit is—	If line 3 or 4 of the worksheet is—		Your earned income credit is—	If line 3 or 4 of the worksheet is—		Your earned income credit is—	If line 3 or 4 of the worksheet is—		Your earned income credit is—
Over	But not over		Over	But not over		Over	But not over		Over	But not over		Over	But not over	
$0	$50	$3	$1,800	$1,850	$183	$3,600	$3,650	$363	$6,350	$6,400	$453	$8,150	$8,200	$228
50	100	8	1,850	1,900	188	3,650	3,700	368	6,400	6,450	447	8,200	8,250	222
100	150	13	1,900	1,950	193	3,700	3,750	373	6,450	6,500	441	8,250	8,300	216
150	200	18	1,950	2,000	198	3,750	3,800	378	6,500	6,550	434	8,300	8,350	209
200	250	23	2,000	2,050	203	3,800	3,850	383	6,550	6,600	428	8,350	8,400	203
250	300	28	2,050	2,100	208	3,850	3,900	388	6,600	6,650	422	8,400	8,450	197
300	350	33	2,100	2,150	213	3,900	3,950	393	6,650	6,700	416	8,450	8,500	191
350	400	38	2,150	2,200	218	3,950	4,000	398	6,700	6,750	409	8,500	8,550	184
400	450	43	2,200	2,250	223	4,000	4,050	403	6,750	6,800	403	8,550	8,600	178
450	500	48	2,250	2,300	228	4,050	4,100	408	6,800	6,850	397	8,600	8,650	172
500	550	53	2,300	2,350	233	4,100	4,150	413	6,850	6,900	391	8,650	8,700	166
550	600	58	2,350	2,400	238	4,150	4,200	418	6,900	6,950	384	8,700	8,750	159
600	650	63	2,400	2,450	243	4,200	4,250	423	6,950	7,000	378	8,750	8,800	153
650	700	68	2,450	2,500	248	4,250	4,300	428	7,000	7,050	372	8,800	8,850	147
700	750	73	2,500	2,550	253	4,300	4,350	433	7,050	7,100	366	8,850	8,900	141
750	800	78	2,550	2,600	258	4,350	4,400	438	7,100	7,150	359	8,900	8,950	134
800	850	83	2,600	2,650	263	4,400	4,450	443	7,150	7,200	353	8,950	9,000	128
850	900	88	2,650	2,700	268	4,450	4,500	448	7,200	7,250	347	9,000	9,050	122
900	950	93	2,700	2,750	273	4,500	4,550	453	7,250	7,300	341	9,050	9,100	116
950	1,000	98	2,750	2,800	278	4,550	4,600	458	7,300	7,350	334	9,100	9,150	109
1,000	1,050	103	2,800	2,850	283	4,600	4,650	463	7,350	7,400	328	9,150	9,200	103
1,050	1,100	108	2,850	2,900	288	4,650	4,700	468	7,400	7,450	322	9,200	9,250	97
1,100	1,150	113	2,900	2,950	293	4,700	4,750	473	7,450	7,500	316	9,250	9,300	91
1,150	1,200	118	2,950	3,000	298	4,750	4,800	478	7,500	7,550	309	9,300	9,350	84
1,200	1,250	123	3,000	3,050	303	4,800	4,850	483	7,550	7,600	303	9,350	9,400	78
1,250	1,300	128	3,050	3,100	308	4,850	4,900	488	7,600	7,650	297	9,400	9,450	72
1,300	1,350	133	3,100	3,150	313	4,900	4,950	493	7,650	7,700	291	9,450	9,500	66
1,350	1,400	138	3,150	3,200	318	4,950	5,000	498	7,700	7,750	284	9,500	9,550	59
1,400	1,450	143	3,200	3,250	323	5,000	6,000	500	7,750	7,800	278	9,550	9,600	53
1,450	1,500	148	3,250	3,300	328	6,000	6,050	497	7,800	7,850	272	9,600	9,650	47
1,500	1,550	153	3,300	3,350	333	6,050	6,100	491	7,850	7,900	266	9,650	9,700	41
1,550	1,600	158	3,350	3,400	338	6,100	6,150	484	7,900	7,950	259	9,700	9,750	34
1,600	1,650	163	3,400	3,450	343	6,150	6,200	478	7,950	8,000	253	9,750	9,800	28
1,650	1,700	168	3,450	3,500	348	6,200	6,250	472	8,000	8,050	247	9,800	9,850	22
1,700	1,750	173	3,500	3,550	353	6,250	6,300	466	8,050	8,100	241	9,850	9,900	16
1,750	1,800	178	3,550	3,600	358	6,300	6,350	459	8,100	8,150	234	9,900	9,950	9
												9,950	9,999	3

1982 Optional State Sales Tax Tables

(If you kept records that show you paid more sales tax than the table for your State indicates, you may claim the higher amount on Schedule A, line 13a.)

Your itemized deduction for general sales tax paid can be estimated from these tables plus any qualifying sales taxes paid on the items listed on page 18.
To use the tables:

Step 1—Figure your total available income. (See note to the right).

Step 2—Count the number of exemptions for you and your family. Do not count exemptions claimed for being 65 or over or blind as part of your family size.

Step 3 A—If your total available income is not over $40,000, find the income line for your State on the tables and read across to find the amount of sales tax for your family size.

Step 3 B—If your income is over $40,000 but not over $100,000, find the deduction listed on the income line "$38,001–$40,000" for your family size and State. For each $5,000 (or part of $5,000) of income over $40,000, increase the deduction by the amount listed for the line "$40,001–$100,000."

Step 3 C—If your income is over $100,000, your sales tax deduction is limited to the deduction for income of $100,000. To figure your sales tax deduction, use Step 3 B but don't go over $100,000.

Note: *Use the total of the amount on Form 1040, line 33, and nontaxable receipts such as social security, veterans', and railroad retirement benefits, workmen's compensation, untaxed portion of long-term capital gains or unemployment compensation, All-Savers interest exclusion, dividends exclusion, disability income exclusion, deduction for a married couple when both work, and public assistance payments.*

Income	Alabama [1]						Arizona [2]					Arkansas [1]						California [3]				Colorado [2]			Connecticut			Dist. of Columbia					
	Family size 1	2	3	4	5	Over 5	Family size 1&2	3	4	5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1&2	3&4	5	Over 5	Family size 1&2	3,4&5	Over 5	Family size 1&2	3,4&5	Over 5	Family size 1	2	3	4	5	Over 5
$1–$8,000	93	115	122	131	142	160	90	104	104	109	114	78	97	102	109	116	132	125	147	155	164	53	59	63	126	139	146	94	112	125	125	132	140
$8,001–$10,000	109	132	142	153	165	185	105	122	122	129	134	91	111	118	127	135	152	147	173	183	193	63	71	75	150	167	175	110	129	145	146	155	164
$10,001–$12,000	124	147	161	173	187	203	120	139	140	147	153	103	123	134	143	153	170	167	198	208	219	73	82	87	172	194	203	125	145	164	166	177	186
$12,001–$14,000	138	161	178	191	206	228	133	155	157	165	170	115	134	148	158	169	187	186	220	232	243	82	93	98	194	220	229	139	159	182	186	197	206
$14,001–$16,000	152	174	194	209	225	248	146	170	174	181	187	125	145	161	173	184	202	204	242	255	266	91	104	109	214	244	254	152	173	198	205	216	225
$16,001–$18,000	164	186	210	226	242	266	158	184	190	197	203	135	154	174	186	198	217	222	263	276	288	99	114	120	234	268	279	165	186	213	223	234	244
$18,001–$20,000	176	197	225	242	259	284	170	198	206	212	218	145	163	186	199	212	231	238	282	297	309	107	124	130	253	291	302	177	198	228	240	252	261
$20,001–$22,000	188	208	239	257	275	301	181	211	221	226	233	154	172	198	212	225	245	254	301	317	330	115	134	140	271	313	325	189	210	242	256	268	278
$22,001–$24,000	199	218	253	271	290	317	192	224	235	240	247	163	181	209	224	238	258	270	320	336	349	122	143	150	289	335	347	200	221	256	272	284	294
$24,001–$26,000	210	228	266	285	305	332	203	236	249	254	261	172	189	220	235	250	270	285	338	355	368	129	152	159	306	357	369	211	232	269	287	300	310
$26,001–$28,000	221	238	279	299	320	347	213	248	263	267	275	180	197	230	246	262	282	299	355	373	386	136	161	168	323	378	390	222	242	282	302	315	325
$28,001–$30,000	231	247	291	313	334	362	223	260	277	280	288	188	204	240	257	273	294	313	372	391	404	143	169	177	340	398	411	232	252	295	317	330	340
$30,001–$32,000	241	256	303	326	347	376	233	271	290	293	301	196	211	250	268	284	305	327	389	408	422	150	178	186	356	418	432	242	262	307	332	345	354
$32,001–$34,000	251	265	315	338	360	390	242	282	303	305	313	204	218	260	278	295	316	341	405	425	439	157	187	195	372	438	452	252	272	319	346	359	368
$34,001–$36,000	261	274	327	350	373	403	251	293	316	317	325	211	225	270	288	306	326	354	421	441	455	164	195	203	388	458	472	262	281	330	360	373	382
$36,001–$38,000	271	282	338	362	386	416	260	304	329	329	337	218	232	279	298	316	336	367	436	457	471	170	203	211	403	477	491	271	290	341	373	387	396
$38,001–$40,000	280	290	349	374	399	429	269	315	341	341	349	225	239	288	308	326	346	380	451	473	487	176	211	219	418	496	510	280	299	352	386	400	409
$40,001–$100,000 (See Step 3B)	14	15	17	19	20	21	13	16	17	17	17	11	12	14	15	16	17	19	23	24	24	9	11	11	21	25	26	14	15	18	19	20	20

Income	Florida					Georgia [1]						Hawaii					Idaho						Illinois [4]						Indiana			
	Family size 1&2	3	4	5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1&2	3	4	5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1&2	3&4	5	Over 5
$1–$8,000	86	99	99	105	111	82	103	110	116	125	141	158	180	183	190	204	68	84	90	97	106	121	109	132	142	148	160	176	93	110	118	124
$8,001–$10,000	103	118	118	125	132	95	117	127	135	145	161	181	206	209	219	235	80	96	105	114	123	139	128	151	166	173	186	204	109	130	138	145
$10,001–$12,000	119	136	137	145	152	107	130	143	152	163	180	201	228	234	245	263	91	106	118	128	139	155	145	168	188	196	210	229	124	148	157	165
$12,001–$14,000	134	152	155	163	171	118	141	157	167	179	198	220	249	256	269	288	101	116	131	142	153	171	162	184	208	218	232	253	138	165	175	183
$14,001–$16,000	148	168	173	181	189	129	152	171	182	195	214	238	268	277	292	312	110	126	143	155	167	185	177	199	227	238	253	274	151	181	191	200
$16,001–$18,000	162	184	190	198	206	139	162	184	196	210	229	254	286	297	313	335	119	135	155	167	180	198	192	213	245	258	273	295	164	196	207	216
$18,001–$20,000	175	199	206	215	223	149	171	196	209	224	244	270	303	315	333	356	128	143	166	179	192	211	206	226	262	276	293	315	176	211	222	232
$20,001–$22,000	188	213	222	231	239	158	180	208	222	237	258	285	319	333	352	377	136	151	176	191	204	223	220	239	278	294	311	334	187	225	237	247
$22,001–$24,000	201	227	238	247	255	167	189	219	234	250	271	299	335	350	371	397	144	158	186	202	215	235	233	251	294	312	329	352	198	238	251	261
$24,001–$26,000	213	241	254	262	270	176	198	230	246	262	283	313	350	366	389	416	152	165	196	212	226	247	246	263	310	328	346	369	209	251	265	275
$26,001–$28,000	225	254	269	277	285	184	206	240	258	274	295	326	364	382	406	434	160	172	205	222	237	258	258	274	325	344	362	386	220	264	278	289
$28,001–$30,000	237	267	284	291	299	192	213	250	269	286	307	339	378	397	423	451	167	179	214	232	247	268	270	285	339	360	378	403	230	277	291	302
$30,001–$32,000	248	280	299	305	313	200	220	260	280	297	319	351	391	412	439	468	174	186	223	242	257	278	282	295	353	376	394	419	240	289	304	315
$32,001–$34,000	259	293	313	319	327	208	227	270	290	308	330	363	404	426	454	485	181	192	232	251	267	288	293	305	367	391	409	434	250	301	316	327
$34,001–$36,000	270	305	327	333	341	215	234	279	300	319	341	375	416	440	469	501	188	198	241	260	277	298	304	315	380	406	424	449	259	313	328	339
$36,001–$38,000	281	317	341	347	354	222	241	288	310	330	352	386	428	454	484	517	195	204	249	269	286	308	315	325	393	420	439	464	268	324	340	351
$38,001–$40,000	292	329	354	360	367	229	247	297	320	340	362	397	440	467	499	533	201	209	257	278	295	317	326	334	406	434	453	478	277	335	352	363
$40,001–$100,000 (See Step 3B)	15	16	18	18	18	11	12	15	16	17	18	20	22	23	25	27	10	10	13	14	15	16	16	17	20	22	23	24	14	17	18	18

Income	Iowa			Kansas [1]						Kentucky				Louisiana [5]				Maine [6]				Maryland					Massachusetts [7]	
	Family size 1&2	3,4&5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1&2	3&4	5	Over 5	Family size 1&2	3&4	5	Over 5	Family size 1&2	3&4	5	Over 5	Family size 1&2	3	4	5	Over 5	Family size 1 & 2	Over 2
$1–$8,000	71	79	85	72	90	95	102	108	122	94	105	111	117	60	67	70	73	89	100	103	109	80	90	90	94	98	58	63
$8,001–$10,000	83	93	100	85	104	112	120	127	142	111	126	132	138	71	80	84	88	106	120	124	130	95	108	108	113	118	69	76
$10,001–$12,000	95	107	114	96	116	127	136	144	160	127	145	152	158	82	92	97	101	121	139	144	150	110	125	125	131	136	79	89
$12,001–$14,000	106	120	127	107	128	141	151	160	177	142	163	170	177	92	104	109	113	135	157	163	169	124	141	143	149	154	89	101
$14,001–$16,000	116	132	139	117	138	155	165	176	193	156	181	188	195	101	115	121	125	149	175	181	188	137	157	160	166	171	98	113
$16,001–$18,000	126	143	151	126	148	168	179	191	208	170	198	205	212	110	126	132	137	162	192	198	205	150	172	177	182	188	107	124
$18,001–$20,000	135	154	162	135	158	180	192	205	222	183	214	222	229	119	136	143	148	175	208	215	222	163	186	193	198	203	116	135
$20,001–$22,000	144	165	173	144	167	192	205	219	236	196	230	238	245	128	146	153	159	187	224	231	239	175	200	209	213	219	124	146
$22,001–$24,000	153	176	183	153	176	203	217	232	249	208	245	254	260	136	156	163	169	199	239	247	255	187	214	225	228	234	132	157
$24,001–$26,000	162	186	193	161	184	214	229	245	262	220	260	269	275	144	166	173	179	211	254	263	271	198	227	240	243	249	140	168
$26,001–$28,000	170	196	203	169	192	225	240	257	274	232	274	284	290	152	175	183	189	222	269	278	286	209	240	255	257	263	148	178
$28,001–$30,000	178	206	213	177	200	235	251	269	286	243	288	298	304	160	184	193	199	233	283	293	301	220	253	270	271	278	155	188
$30,001–$32,000	186	215	222	185	208	245	262	281	298	254	302	312	318	168	193	202	209	244	297	308	316	231	265	285	285	292	162	198
$32,001–$34,000	194	224	231	192	215	255	273	293	309	265	316	326	332	175	202	211	218	255	311	322	330	242	277	299	299	305	169	208
$34,001–$36,000	201	233	240	199	222	265	284	304	320	276	330	340	345	182	211	220	227	265	325	336	344	253	289	313	313	319	176	217
$36,001–$38,000	208	242	249	206	229	275	294	315	330	286	343	353	358	189	219	229	236	275	338	350	358	263	301	327	327	332	183	227
$38,001–$40,000	215	251	258	212	236	284	304	325	340	296	356	366	371	196	227	238	245	285	351	364	371	273	313	341	341	345	190	236
$40,001–$100,000 (See Step 3B)	11	13	13	11	12	14	15	16	17	15	18	18	19	10	11	12	12	14	18	18	19	14	16	17	17	17	10	12

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[1] Local sales taxes are not included. Add an amount based on the ratio between the local and State sales tax rates considering the number of months the taxes have been in effect.

[2] Local sales taxes are not included. Add the amount paid.

[3] The 1¼ percent local sales tax is included. If the ½ of 1 percent sales tax is paid all year (Alameda, Contra Costa, San Francisco, Santa Clara, and Santa Cruz counties), add 8 percent to the table amount. Los Angeles and San Mateo counties for the ½ of 1 percent sales tax paid after June 30, 1982, add 4 percent to the table amount. Otherwise add a proportionate amount (see footnote 1).

[4] Local 1 percent sales taxes are included. If public transportation sales taxes are paid, compute the allowable deduction by the method in footnote 1.

[5] If your local sales tax applies to food for home consumption check your local newspaper during mid-January for the correct deduction. Otherwise see footnote 1.

[6] Sales tax paid on purchase of electricity of 750 KWH or more per month, can be added to the table amounts.

[7] Sales tax paid on the purchase of any single item of clothing for $175 or more can be added to the table amounts.

[8] Sales tax paid on purchases of natural gas or electricity can be added to the table amounts. For local sales tax see footnote 1.

[9] Local sales taxes are included.

[10] Local sales taxes are not included. If paid all year add 26 percent of the table amount for each 1 percent of local sales tax rate. Otherwise use a proportionate amount. For N.Y. City add 107 percent of the table amount.

(Footnotes continued on next page)

1982 Optional State Sales Tax Tables—Continued

Income	Michigan				Minnesota [8]		Mississippi						Missouri [1]						Nebraska [1]						Nevada [9]				New Jersey	
	Family size 1&2	3&4	5	Over 5	Family size 1&2	Over 2	Family size 1	2	3	4	5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1&2	3&4	5	Over 5	Family size 1&2	Over 2
$1-$8,000	88	102	108	113	74	83	137	168	179	189	203	226	76	91	96	103	111	125	86	107	114	123	132	149	94	106	111	115	68	76
$8,001-$10,000	103	121	127	133	88	99	160	193	209	221	236	261	89	105	113	121	129	144	101	122	132	142	152	171	112	128	134	138	81	92
$10,001-$12,000	118	138	145	151	101	114	180	215	236	250	267	293	101	117	128	137	146	162	113	135	149	159	171	190	129	148	154	159	93	107
$12,001-$14,000	131	154	161	168	113	129	200	235	261	276	295	323	112	128	142	152	162	178	125	147	164	176	188	208	145	167	174	179	104	121
$14,001-$16,000	144	169	177	184	124	143	218	254	285	301	322	350	123	139	155	166	176	193	136	158	178	191	204	225	160	186	193	199	115	135
$16,001-$18,000	156	184	192	199	135	156	236	272	307	325	348	377	134	149	167	179	190	208	147	168	192	206	219	241	174	204	211	217	125	149
$18,001-$20,000	168	198	207	214	146	169	252	289	329	348	372	402	144	158	179	192	204	222	157	178	205	219	234	256	188	221	229	235	135	162
$20,001-$22,000	180	211	221	228	156	181	268	305	349	370	395	426	153	167	191	204	217	235	167	187	217	232	248	270	202	238	246	253	145	175
$22,001-$24,000	191	224	234	241	166	193	283	320	369	391	418	449	162	176	202	216	229	247	176	196	229	245	261	284	215	254	263	270	155	188
$24,001-$26,000	202	237	247	254	176	205	298	335	389	411	440	471	171	184	213	227	241	259	185	204	240	257	274	297	228	270	279	287	164	200
$26,001-$28,000	212	249	260	267	185	217	313	349	407	431	461	492	180	192	223	238	252	271	194	212	251	269	286	309	241	286	295	303	173	212
$28,001-$30,000	222	261	272	280	194	228	327	363	425	450	481	513	188	200	233	249	263	282	203	220	262	281	298	321	253	301	311	319	182	224
$30,001-$32,000	232	273	284	292	203	239	341	376	443	469	501	533	196	207	243	260	274	293	211	228	272	292	310	333	265	316	326	335	190	236
$32,001-$34,000	242	284	296	304	212	250	354	389	460	487	521	553	204	214	253	270	285	304	219	235	282	303	322	345	277	331	341	350	198	247
$34,001-$36,000	252	295	308	316	221	261	367	402	477	505	540	572	212	221	262	280	295	315	227	242	292	313	333	356	288	346	356	365	206	258
$36,001-$38,000	261	306	319	327	229	271	380	414	493	522	558	591	220	228	271	290	305	325	235	249	302	323	344	367	299	360	371	380	214	269
$38,001-$40,000	270	317	330	338	237	281	392	426	509	539	576	609	227	234	280	299	315	335	242	255	311	333	354	377	310	374	385	394	222	280
$40,001-$100,000 (See Step 3B)	14	16	17	17	12	14	20	21	25	27	29	30	11	12	14	15	16	17	12	13	16	17	18	19	16	19	19	20	11	14

Income	New Mexico [1]						New York [10]				North Carolina [11]						North Dakota			Ohio [1]				Oklahoma [1]						Pennsylvania	
	Family size 1	2	3	4	5	Over 5	Family size 1&2	3&4	5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1&2	3,4&5	Over 5	Family size 1&2	3&4	5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1&2	Over 2
$1-$8,000	110	135	143	148	157	173	86	99	103	108	92	114	121	130	139	159	57	65	69	91	103	108	113	49	58	62	65	70	79	73	78
$8,001-$10,000	127	155	166	173	183	200	103	118	123	128	108	131	141	151	162	183	68	77	82	109	124	129	135	58	67	73	77	82	91	88	95
$10,001-$12,000	143	172	187	195	207	226	118	136	141	147	123	146	159	171	182	204	78	89	94	125	143	149	155	66	75	82	87	93	103	102	111
$12,001-$14,000	158	188	206	217	229	249	132	152	159	165	137	159	176	189	202	224	87	100	106	140	161	158	174	73	82	91	97	103	114	115	126
$14,001-$16,000	172	203	224	236	250	271	146	168	176	182	150	172	192	206	220	243	96	111	117	155	179	186	193	80	89	100	106	113	124	128	141
$16,001-$18,000	185	217	241	255	270	292	159	183	192	198	162	184	207	222	237	261	105	121	127	169	196	203	210	87	96	108	115	122	133	141	156
$18,001-$20,000	198	230	258	273	289	312	172	198	208	214	174	195	222	237	253	277	113	131	137	193	212	220	227	93	102	116	123	131	142	153	170
$20,001-$22,000	210	243	274	291	307	331	184	212	223	229	185	206	236	252	268	293	121	141	147	196	228	236	244	99	108	123	131	139	151	164	183
$22,001-$24,000	221	255	289	307	325	349	196	226	238	244	196	216	249	266	283	308	129	150	157	209	243	252	260	105	114	130	139	147	159	175	196
$24,001-$26,000	232	266	303	323	342	367	208	240	252	258	207	226	262	280	298	323	136	159	166	221	258	267	276	111	119	137	147	155	167	186	209
$26,001-$28,000	243	277	317	339	358	384	219	253	266	272	217	236	275	293	312	337	143	168	175	233	273	282	291	116	124	144	155	163	175	197	222
$28,001-$30,000	254	288	331	354	374	401	230	266	280	286	227	245	287	306	325	351	150	177	184	245	287	297	306	121	129	151	162	170	183	208	235
$30,001-$32,000	264	298	344	369	390	417	241	278	293	299	237	254	299	319	338	364	157	186	193	257	301	311	320	126	134	157	169	177	191	219	248
$32,001-$34,000	274	308	357	384	405	433	252	290	306	312	247	263	310	331	351	377	164	194	201	268	315	325	334	131	139	163	176	184	198	230	261
$34,001-$36,000	284	318	370	398	420	448	262	302	319	325	257	271	321	343	364	390	171	202	209	279	329	339	348	136	144	169	183	191	205	240	273
$36,001-$38,000	293	328	382	412	435	463	272	314	332	337	266	279	332	355	376	402	177	210	217	290	342	353	362	141	148	175	189	198	212	250	285
$38,001-$40,000	302	337	394	425	449	477	282	326	345	349	275	287	343	366	388	414	184	218	225	301	355	366	376	146	152	181	195	205	218	260	297
$40,001-$100,000 (See Step 3B)	15	17	20	21	22	24	14	16	17	17	14	14	17	18	19	21	9	11	11	15	18	18	19	7	8	9	10	10	11	13	15

Income	Rhode Island		South Carolina						South Dakota [2]						Tennessee [1]						Texas [1]				Utah [12]					
	Family size 1&2	Over 2	Family size 1	2	3	4	5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1&2	3&4	5	Over 5	Family size 1	2	3	4	5	Over 5
$1-$8,000	88	94	101	120	127	135	146	164	108	133	138	147	158	178	114	137	146	155	167	192	67	77	82	87	120	143	152	161	172	195
$8,001-$10,000	104	113	118	138	148	158	169	189	127	152	161	171	184	205	133	157	170	181	194	220	79	92	98	104	140	164	177	188	200	225
$10,001-$12,000	120	131	134	154	168	178	191	211	145	170	183	194	208	230	151	175	191	204	219	245	91	106	113	119	159	183	200	213	226	252
$12,001-$14,000	134	148	149	169	186	198	211	232	161	186	203	215	230	253	167	191	212	225	241	269	102	120	127	134	176	201	222	236	251	277
$14,001-$16,000	148	164	163	182	203	216	230	252	176	202	221	235	251	275	183	207	231	246	263	291	113	133	141	148	193	217	242	258	274	300
$16,001-$18,000	161	180	176	195	219	233	248	271	191	216	239	254	271	295	198	221	249	265	283	311	123	146	154	162	209	232	261	278	295	323
$18,001-$20,000	174	196	189	208	235	250	265	288	205	230	256	272	290	315	212	235	266	283	302	331	133	158	167	175	224	247	279	298	316	344
$20,001-$22,000	187	211	201	219	250	266	281	305	219	243	273	289	308	333	226	243	283	301	321	349	142	170	179	188	238	261	297	317	336	364
$22,001-$24,000	199	225	213	230	264	281	297	321	232	255	289	306	326	351	239	260	299	318	339	367	151	181	191	200	252	274	314	335	355	383
$24,001-$26,000	210	239	224	241	278	296	312	337	245	267	304	323	343	368	252	272	314	334	356	384	160	192	203	212	266	287	330	353	374	402
$26,001-$28,000	221	253	235	251	291	310	327	352	258	279	319	339	359	385	264	284	329	350	372	401	159	203	214	224	279	299	346	370	392	420
$28,001-$30,000	232	267	246	261	304	324	341	367	270	290	333	354	375	401	276	296	344	365	388	417	177	214	225	235	292	311	362	387	409	437
$30,001-$32,000	243	281	256	271	317	337	355	381	282	301	347	369	391	417	288	307	358	380	404	432	185	225	236	246	304	322	377	403	426	454
$32,001-$34,000	254	294	266	280	329	350	369	395	293	311	361	383	406	432	300	317	372	395	419	447	193	235	247	257	316	333	392	419	443	470
$34,001-$36,000	265	307	276	289	341	363	382	408	304	321	375	397	421	447	311	327	385	409	434	462	201	245	257	268	328	344	406	434	459	486
$36,001-$38,000	276	320	286	298	353	376	395	421	315	331	388	411	435	461	322	337	398	423	449	476	209	255	267	279	340	355	420	449	475	502
$38,001-$40,000	286	333	296	307	365	388	407	434	326	341	400	425	449	475	333	347	411	436	463	490	217	265	277	289	351	365	434	464	490	517
$40,001-$100,000 (See Step 3B)	14	17	15	15	18	19	20	22	16	17	20	21	22	24	17	17	21	22	23	25	11	13	14	14	18	18	22	23	25	26

Income	Vermont						Virginia [9]						Washington [13]						West Virginia				Wisconsin [14]				Wyoming [1]					
	Family size 1	2	3	4	5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1&2	3&4	5	Over 5	Family size 1&2	3&4	5	Over 5	Family size 1	2	3	4	5	Over 5
$1-$8,000	39	44	51	51	53	57	88	111	117	127	137	156	131	159	168	174	184	205	95	105	107	112	96	107	111	116	81	98	104	109	117	132
$8,001-$10,000	47	53	61	61	64	68	104	127	137	148	159	179	155	184	198	206	218	240	114	126	130	135	115	128	133	139	95	112	121	127	136	152
$10,001-$12,000	54	61	70	71	74	78	118	141	155	166	179	200	177	207	225	235	248	272	131	146	151	156	131	147	153	159	107	125	136	144	153	170
$12,001-$14,000	61	68	79	81	84	88	131	154	171	184	197	220	197	228	251	262	277	302	148	166	171	177	147	166	172	179	119	136	151	159	169	187
$14,001-$16,000	68	75	87	90	94	97	143	167	187	201	215	238	217	248	276	288	305	330	164	184	190	196	163	184	191	197	130	147	164	173	184	202
$16,001-$18,000	74	82	95	99	103	106	155	178	202	216	231	255	235	266	299	313	331	357	179	202	209	215	177	201	209	215	140	157	176	187	198	217
$18,001-$20,000	80	89	103	108	112	115	166	189	216	231	247	271	253	284	322	337	356	383	194	219	227	233	191	217	226	232	150	167	188	200	212	231
$20,001-$22,000	86	95	110	117	121	123	177	199	230	245	262	286	270	301	343	360	381	408	209	236	245	251	205	233	242	249	159	176	200	213	225	244
$22,001-$24,000	92	101	117	126	129	131	188	209	243	259	276	301	287	318	364	382	404	432	223	253	262	268	218	249	258	265	168	185	211	225	237	257
$24,001-$26,000	98	107	124	134	137	139	198	219	256	273	290	315	303	334	385	403	427	455	236	269	279	285	231	264	274	281	177	193	222	236	249	269
$26,001-$28,000	104	113	131	142	145	147	208	228	268	286	304	329	319	349	405	424	450	477	249	285	296	302	243	279	290	296	186	201	232	247	261	281
$28,001-$30,000	110	119	138	150	153	155	218	237	280	298	317	342	334	364	424	445	471	499	262	300	312	318	255	294	305	311	194	209	242	258	273	293
$30,001-$32,000	115	125	144	158	161	163	227	246	292	310	330	355	349	378	443	465	492	520	275	315	328	334	267	308	320	326	202	216	252	269	284	304
$32,001-$34,000	120	130	150	166	169	170	236	254	303	322	342	368	364	392	461	485	513	541	288	330	344	350	279	322	334	341	210	223	261	280	294	315
$34,001-$36,000	125	135	156	174	177	177	245	262	314	334	354	380	378	406	479	504	534	561	300	345	360	365	291	336	348	355	218	230	270	290	304	326
$36,001-$38,000	130	140	162	182	184	184	254	270	325	345	366	391	392	419	497	523	554	581	312	359	375	380	302	350	362	369	226	237	279	300	314	336
$38,001-$40,000	135	145	168	189	191	191	263	277	336	356	378	402	406	432	514	541	573	600	324	373	390	395	313	363	376	382	233	244	288	310	324	346
$40,001-$100,000 (See Step 3B)	7	7	8	9	10	10	13	14	17	18	19	20	20	22	26	27	29	30	16	19	20	20	16	18	19	19	12	12	14	16	16	17

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[11] Local sales taxes are included. Taxpayers not paying local sales taxes (Burke County) should use 75 percent of the table amount allowed.

[12] Local ¾ percent sales taxes are included. Add 5 percent of table amount if the ¼ percent county sales tax for transportation is paid all year. Otherwise add a proportionate amount (see footnote 1).

[13] Local ½ percent sales taxes are included. If the 3/10's of 1 percent sales tax for public transportation is paid all year add 5 percent to the table amount. Otherwise add a proportionate amount (see footnote 1).

[14] Sales tax paid on purchases of natural gas or electricity (May through October) can be added to the table amounts.

Tele-Tax (For Use by Taxpayers Using Push-button Telephones)

In 1983, the IRS will begin a new telephone service called Tele-Tax. This service will provide recorded tax information tapes on about 140 topics covering such areas as filing requirements, dependents, itemized deductions, and tax credits. Tele-Tax is available 24 hours a day, 7 days a week to taxpayers **using push-button telephones.**

Brochures which list all the available topics and describe how to use the service are available in many banks and libraries.

Tele-Tax telephone numbers are listed below. If you call from outside the local dialing area of any of these numbers, **you will have to pay a long distance charge.**

ALABAMA
Birmingham 205–251–9454
Mobile 205–433–6993
Montgomery 205–262–8304

ALASKA
Anchorage 907–272–2814

ARIZONA
Phoenix 602–261–3560

ARKANSAS
Little Rock 501–372–3891

CALIFORNIA
Carson 213–632–3555
El Monte 213–571–6902
Fresno 209–268–5395
Los Angeles 213–617–3177
Oakland 415–839–4245
Sacramento 916–448–4367
San Diego 619–293–5020
San Jose 408–293–5606

COLORADO
Denver 303–296–0462

CONNECTICUT
Hartford 203–547–0015
Bridgeport 203–335–0070

DELAWARE
Wilmington 302–652–0272

DISTRICT OF COLUMBIA
Call 202–628–2929

FLORIDA
Jacksonville 904–353–9579
Miami 305–374–5144
Orlando 305–422–0592

GEORGIA
Atlanta 404–221–6572
Augusta 404–722–9068
Columbus 404–327–0298
Savannah 912–533–9632

HAWAII
Honolulu 808–546–7162

IDAHO
Boise 208–383–0034

ILLINOIS
Champaign 217–398–1779
Chicago 312–886–9614
Peoria 309–637–9305
Rockford 815–987–4280
Springfield 217–789–0489

INDIANA
Evansville 812–422–1026
Gary 219–884–4465
Indianapolis 317–634–1550

IOWA
Des Moines 515–284–6117

KANSAS
Wichita 316–264–3147

KENTUCKY
Erlanger 606–727–3338
Lexington 606–233–2889
Louisville 502–582–5599

LOUISIANA
New Orleans 504–529–2854

MAINE
Portland 207–775–0465

MARYLAND
Baltimore 301–244–7306

MASSACHUSETTS
Boston 617–523–8602
Springfield 413–739–6624

MICHIGAN
Ann Arbor 313–665–4544
Detroit 313–961–4282
Flint 313–238–4599
Grand Rapids 616–451–2034
Lansing 517–372–2454
Mt. Clemens 313–463–9550
Pontiac 313–858–2336

MINNESOTA
St. Paul 612–224–4288

MISSISSIPPI
Jackson 601–960–4168

MISSOURI
Kansas City 816–421–3741
St. Louis 314–241–4700

MONTANA
Billings 406–443–7034

NEBRASKA
Omaha 402–221–3324

NEVADA
Las Vegas 702–385–1778

NEW HAMPSHIRE
Manchester 603–623–5778

NEW JERSEY
Camden 609–966–3412
Newark 201–624–1223

NEW MEXICO
Albuquerque 505–766–1102

NEW YORK
Albany District *(Eastern Upstate New York)*
Albany 518–465–8318
Poughkeepsie 914–452–1877
Brooklyn District
Brooklyn 212–858–4461
Mineola 516–248–6790
Smithtown 516–979–0720
Buffalo District *(Central and Western New York)*
Buffalo 716–856–9320
Rochester 716–454–3330
Syracuse 315–471–1630
Manhattan District
Manhattan 212–406–4080
White Plains 914–683–0134

NORTH CAROLINA
Charlotte 704–371–6352
Greensboro 919–378–5172
Raleigh 919–755–1498
Winston-Salem 919–761–3136

NORTH DAKOTA
Fargo 701–232–9360

OHIO
Cleveland District
Akron 216–253–1170
Cleveland 216–522–3037
Toledo 419–255–3743
Cincinnati District
Cincinnati 513–421–8050
Columbus 614–463–1898
Dayton 513–461–9755

OKLAHOMA
Oklahoma City 405–235–3434
Tulsa 918–599–0555

OREGON
Portland 503–294–5363

PENNSYLVANIA
Erie 814–459–7419
Pittsburgh 412–281–3120
Philadelphia 215–592–8946

RHODE ISLAND
Providence 401–861–5220

SOUTH CAROLINA
Charleston 803–722–0369
Columbia 803–254–4749

SOUTH DAKOTA
Sioux Falls 605–335–7081

TENNESSEE
Knoxville 615–521–7478
Memphis 901–525–2611
Nashville 615–542–1541

TEXAS
Austin 512–479–0391
Dallas 214–767–1792
Houston 713–850–8801
San Antonio 512–680–9591

UTAH
Salt Lake City 801–355–9328

VERMONT
Burlington 802–658–0007

VIRGINIA
Baileys Crossroads 703–557–0034
Norfolk 804–441–3623
Richmond 804–771–2369

WASHINGTON
Seattle 206–343–7221

WEST VIRGINIA
Charleston 304–343–3597
Huntington 304–523–0104

WISCONSIN
Milwaukee 414–291–1783

WYOMING
Cheyenne 307–634–1198

Notes

How to Get Forms

Generally, we mail forms and schedules directly to you based on what seems to be right for you. Schedules and forms you may need are listed below.

You can get the following items at many banks, post offices, and public libraries or order them from IRS:

Form 1040, U.S. Individual Income Tax Return
Instructions for Form 1040
Form 1040A
Instructions for Form 1040A
Form 1040EZ
Instructions for Form 1040EZ
Schedule A for itemized deductions
Schedule B for interest income if more than $400 or if from All Savers Certificates, for dividends and other distributions on stock if more than $400, and for answering the Foreign Accounts or Foreign Trusts Questions
Schedule G for income averaging
Schedule W for the deduction for a married couple when both work

You can photocopy the following items (as well as those listed above) at many public libraries or order them from IRS:

Schedule C for income from a personally owned business
Schedule D for income from the sale or exchange of capital assets
Schedule E for income from rents, royalties, partnerships, estates, trusts, etc.
Schedule F for income from farming
Schedules R&RP credit for the elderly
Schedule SE for reporting net earnings from self-employment
Form 1040–ES to make estimated tax payments
Form 2106, Employee Business Expenses
Form 2119, Sale or Exchange of Principal Residence
Form 2210, Underpayment of Estimated Tax by Individuals
Form 2441, Credit for Child and Dependent Care Expenses
Form 3468, Computation of Investment Credit
Form 3903, Moving Expense Adjustment
Form 4136, Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil
Form 4562, Depreciation and Amortization
Form 4684, Casualties and Thefts
Form 4797, Supplemental Schedule of Gains and Losses
Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return
Form 5695, Residential Energy Credit

How to Get Publications

You can read or photocopy the following publications at many public libraries or order them from IRS:

17	Your Federal Income Tax
54	Tax Guide for U.S. Citizens Abroad
334	Tax Guide for Small Business
463	Travel, Entertainment, and Gift Expenses
501	Exemptions
502	Medical and Dental Expenses
503	Child and Disabled Dependent Care
504	Tax Information for Divorced or Separated Individuals
505	Tax Withholding and Estimated Tax
506	Income Averaging
508	Educational Expenses
521	Moving Expenses
522	Disability Payments
523	Tax Information on Selling Your Home
524	Credit for the Elderly
525	Taxable and Nontaxable Income
526	Charitable Contributions
527	Rental Property
529	Miscellaneous Deductions
530	Tax Information for Homeowners
531	Reporting Income From Tips
533	Self-Employment Tax
545	Interest Expense
547	Tax Information on Disasters, Casualties, and Thefts
550	Investment Income and Expenses
552	Recordkeeping for Individuals and a List of Tax Publications
553	Highlights of 1982 Tax Changes
554	Tax Benefits for Older Americans
575	Pension and Annuity Income
583	Information for Business Taxpayers
587	Business Use of Your Home
590	Tax Information on Individual Retirement Arrangements
596	Earned Income Credit
903	Energy Credits for Individuals
905	Tax Information on Unemployment Compensation
907	Tax Information for Handicapped and Disabled Individuals
910	Taxpayer's Guide to IRS Information and Assistance

Other publications and forms referred to in the instructions are available without cost from the "Forms Distribution Center" for your state.

Where to Send Your Order for Free Forms and Publications

Please send your order to the "Forms Distribution Center" for your State. If there is more than one Center for your State, send the order to the Center nearest you.

Alabama—Caller No. 848, Atlanta, GA 30370
Alaska—P.O. Box 12626, Fresno, CA 93778
Arizona—P.O. Box 12626, Fresno, CA 93778
Arkansas—P.O. Box 2924, Austin, TX 78769
California—P.O. Box 12626, Fresno, CA 93778
Colorado—P.O. Box 2924, Austin, TX 78769
Connecticut—P.O. Box 1040, Methuen, MA 01844
Delaware—P.O. Box 25866, Richmond, VA 23260
District of Columbia—P.O. Box 25866, Richmond, VA 23260
Florida—Caller No. 848, Atlanta, GA 30370
Georgia—Caller No. 848, Atlanta, GA 30370
Hawaii—P.O. Box 12626, Fresno, CA 93778
Idaho—P.O. Box 12626, Fresno, CA 93778
Illinois—6000 Manchester Trafficway Terrace, Kansas City, MO 64130
Indiana—P.O. Box 636, Florence, KY 41042
Iowa—6000 Manchester Trafficway Terrace, Kansas City, MO 64130
Kansas—P.O. Box 2924, Austin, TX 78769
Kentucky—P.O. Box 636, Florence, KY 41042
Louisiana—P.O. Box 2924, Austin, TX 78769
Maine—P.O. Box 1040, Methuen, MA 01844
Maryland—P.O. Box 25866, Richmond, VA 23260
Massachusetts—P.O. Box 1040, Methuen, MA 01844
Michigan—P.O. Box 636, Florence, KY 41042
Minnesota—6000 Manchester Trafficway Terrace, Kansas City, MO 64130
Mississippi—Caller No. 848, Atlanta, GA 30370
Missouri—6000 Manchester Trafficway Terrace, Kansas City, MO 64130
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Order Blank—The forms and publications listed here are available at no cost. We will send you 2 copies of each form and 1 copy of each set of instructions or publication you circle. Please cut the order blank on the dotted line **and be sure to write your name and address on the other side.** Enclose this order blank in your own envelope and address your envelope to the IRS address shown above for your State. To help reduce waste, please order only the forms and publications you think you will need to prepare your return. **If you need Publication 17 or Publication 334, please write the number(s) in the blank box to the right.** Attach a separate sheet of paper listing the additional forms and publications you may need which are not listed on the order blank. Be sure to allow 10 days to receive your order.

Circle Desired Forms and Publications			1040–ES (1983)	3903	4868	Pub. 506	Pub. 530
			2106	4136	5695	Pub. 521	Pub. 545
1040	Schedules A & B (1040)	Schedule G (1040)	2119	4562	Pub. 463	Pub. 523	Pub. 552
Instructions for 1040 & Schedules	Schedule C (1040)	Schedules R&RP (1040)	2210	4562 Instructions	Pub. 501	Pub. 524	Pub. 553
1040A	Schedule D (1040)	Instructions for R&RP	2441	4684	Pub. 502	Pub. 526	Pub. 554
1040EZ	Schedule E (1040)	Schedule SE (1040)	3468	4797	Pub. 503	Pub. 527	Pub. 903
1040A & 1040EZ Instructions	Schedule F (1040)	Schedule W (1040)	3468 Instructions	4797 Instructions	Pub. 504	Pub. 529	

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DETACH AT THIS LINE

Do not use the envelope we furnished you in your income tax package because this envelope may be used only for filing your income tax return.

Enter your name and address on this label. It will be used to speed your order for forms to you. ⇨

Name ______________________________

Number and street ______________________________

City or town, State and ZIP code ______________________________

Save Time! Many public libraries have IRS tax forms available for copying and reference sets of Tax Information Publications. Also, many banks, post offices, and libraries stock Forms 1040, 1040A, 1040EZ, their Instructions, and Schedules A&B, G, and W.

Schedules A&B
(Form 1040)
Department of the Treasury
Internal Revenue Service (X)

Schedule A—Itemized Deductions

(Schedule B is on back)

▶ Attach to Form 1040. ▶ See Instructions for Schedules A and B (Form 1040).

OMB No. 1545-0074
1982
07

Name(s) as shown on Form 1040

Your social security number

Medical and Dental Expenses **(Do not include expenses reimbursed or paid by others.)** *(See page 17 of Instructions.)*	1 Medicines and drugs	1	
	2 Write 1% of Form 1040, line 33	2	
	3 Subtract line 2 from line 1. If line 2 is more than line 1, write zero	3	
	4 Total insurance premiums you paid for medical and dental care	4	
	5 Other medical and dental expenses:		
	a Doctors, dentists, nurses, hospitals, etc	5a	
	b Transportation	5b	
	c Other (list—include hearing aids, dentures, eyeglasses, etc.) ▶	5c	
	6 Add lines 3 through 5c	6	
	7 Multiply amount on Form 1040, line 33, by 3% (.03)	7	
	8 Subtract line 7 from line 6. If line 7 is more than line 6, write zero	8	
	9 Write one-half of amount on line 4, but not more than $150	9	
	10 **COMPARE** amounts on line 8 and line 9, and write the **LARGER** amount here ▶		10
Taxes *(See page 18 of Instructions.)*	11 State and local income	11	
	12 Real estate	12	
	13 a General sales (see sales tax tables)	13a	
	b General sales on motor vehicles	13b	
	14 Other (list—include personal property) ▶	14	
	15 Add lines 11 through 14. Write your answer here ▶		15
Interest Expense *(See page 19 of Instructions.)*	16 a Home mortgage interest paid to financial institutions	16a	
	b Home mortgage interest paid to individuals (show that person's name and address) ▶	16b	
	17 Credit cards and charge accounts	17	
	18 Other (list) ▶	18	
	19 Add lines 16a through 18. Write your answer here ▶		19
Contributions *(See page 19 of Instructions.)*	20 a Cash contributions. (If you gave $3,000 or more to any one organization, report those contributions on line 20b.)	20a	
	b Cash contributions totaling $3,000 or more to any one organization. (Show to whom you gave and how much you gave.) ▶	20b	
	21 Other than cash (see page 19 of Instructions for required statement)	21	
	22 Carryover from prior years	22	
	23 Add lines 20a through 22. Write your answer here ▶		23
Casualty and Theft Losses and Miscellaneous Deductions *(See page 20 of Instructions.)*	24 Total casualty or theft loss(es) (attach Form 4684)	24	
	25 a Union and professional dues	25a	
	b Tax return preparation fee	25b	
	26 Other (list) ▶	26	
	27 Add lines 24 through 26. Write your answer here ▶		27
Summary of Itemized Deductions *(See page 20 of Instructions.)*	28 Add lines 10, 15, 19, 23, and 27		28
	29 If you checked Form 1040, Filing Status box { 2 or 5, write $3,400 . 1 or 4, write $2,300 . 3, write $1,700 . }		29
	30 Subtract line 29 from line 28. Write your answer here and on Form 1040, line 34a. (If line 29 is more than line 28, see the Instructions for line 30 on page 20.) ▶		30

A

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule B—Interest and Dividend Income

OMB No. 1545-0074

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side)	Your social security number

Part I Interest Income

(*See pages 8 and 20 of Instructions.*)

Also complete Part III if you received more than $400 in interest.

If you received more than $400 in interest or you received any interest from an All-Savers Certificate, you must complete Part I and list ALL interest received. If you received interest as a nominee for another, or you received or paid accrued interest on securities transferred between interest payment dates, please see page 20.

Interest income other than interest from All-Savers Certificates		Amount
1 Interest income from seller-financed mortgages. (See Instructions and show name of payer.)	1	
2 Other interest income (list name of payer)		
3 Add lines 1 and 2	3	

Interest from All-Savers Certificates (ASCs). (See page 21.)		Amount
4		
5 Add amounts on line 4	5	
6 Write the amount of your ASC exclusion from the worksheet on page 21 of Instructions	6	
7 Subtract line 6 from line 5	7	
8 Add lines 3 and 7. Write your answer here and on Form 1040, line 8 ▶	8	

Part II Dividend Income

(*See pages 9 and 21 of Instructions.*)

Also complete Part III if you received more than $400 in dividends.

If you received more than $400 in gross dividends (including capital gain distributions) and other distributions on stock, or you are electing to exclude qualified reinvested dividends from a public utility, complete Part II. If you received dividends as a nominee for another, see page 21.

Name of payer				Amount
9				
10 Add amounts on line 9			10	
11 Capital gain distributions. Enter here and on line 13, Schedule D.*	11			
12 Nontaxable distributions. (See Instructions for adjustment to basis.)	12			
13 Exclusion of qualified reinvested dividends from a public utility. (See Instructions.)	13			
14 Add lines 11, 12, and 13			14	
15 Subtract line 14 from line 10. Write your answer here and on Form 1040, line 9a ▶			15	

B

**If you received capital gain distributions for the year and you do not need Schedule D to report any other gains or losses, do not file that schedule. Instead, enter 40% of your capital gain distributions on Form 1040, line 14.*

Part III Foreign Accounts and Foreign Trusts

(*See page 21 of Instructions.*)

If you received more than $400 of interest or dividends, OR if you had a foreign account or were a grantor of, or a transferor to, a foreign trust, you must answer both questions in Part III.	Yes	No
16 At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country?		
17 Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A, or 926		

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

SCHEDULE C
(Form 1040)
Department of the Treasury
Internal Revenue Service (0)

Profit or (Loss) From Business or Profession

(Sole Proprietorship)

Partnerships, Joint Ventures, etc., Must File Form 1065.

▶ Attach to Form 1040 or Form 1041. ▶ See Instructions for Schedule C (Form 1040).

OMB. No. 1545-0074
1982
08

Name of proprietor | Social security number of proprietor

A Main business activity (see Instructions) ▶ ; product ▶

B Business name ▶

C Employer identification number

D Business address (number and street) ▶
City, State and ZIP Code ▶

E Accounting method: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

C

F Method(s) used to value closing inventory:
(1) ☐ Cost (2) ☐ Lower of cost or market (3) ☐ Other (if other, attach explanation)

	Yes	No
G Was there any major change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation.	▨	▨
H Did you deduct expenses for an office in your home?		
I Did you operate this business at the end of 1982?		

J How many months in 1982 did you actively operate this business? ▶

Part I Income

1 a Gross receipts or sales	1a			
b Returns and allowances	1b			
c Balance (subtract line 1b from line 1a)			1c	
2 Cost of goods sold and/or operations (Schedule C–1, line 8)			2	
3 Gross profit (subtract line 2 from line 1c)			3	
4 a Windfall Profit Tax Credit or Refund received in 1982 (see Instructions)			4a	
b Other income			4b	
5 Total income (add lines 3, 4a, and 4b) ▶			5	

Part II Deductions

6 Advertising		**25** Taxes (Do not include Windfall Profit Tax here. See line 29.)	
7 Bad debts from sales or services (Cash method taxpayers, see Instructions)		**26** Travel and entertainment	
8 Bank service charges		**27** Utilities and telephone	
9 Car and truck expenses		**28 a** Wages	
10 Commissions		**b** Jobs credit	
11 Depletion		**c** Subtract line 28b from 28a	
12 Depreciation, including Section 179 expense deduction (from Form 4562)		**29** Windfall Profit Tax withheld in 1982	
13 Dues and publications		**30** Other expenses (specify):	
14 Employee benefit programs		a	
15 Freight (not included on Schedule C–1)		b	
16 Insurance		c	
17 Interest on business indebtedness		d	
18 Laundry and cleaning		e	
19 Legal and professional services		f	
20 Office supplies and postage		g	
21 Pension and profit-sharing plans		h	
22 Rent on business property		i	
23 Repairs		j	
24 Supplies (not included on Schedule C–1)		k	
		l	
		m	

31 Total deductions (add amounts in columns for lines 6 through 30m) ▶	31	
32 Net profit or (loss) (subtract line 31 from line 5). If a profit, enter on Form 1040, line 12, and on Schedule SE, Part I, line 2 (or Form 1041, line 6). If a loss, go on to line 33	32	

33 If you have a loss, do you have amounts for which you are not "at risk" in this business (see Instructions)? ☐ Yes ☐ No
If you checked "No," enter the loss on Form 1040, line 12, and on Schedule SE, Part I, line 2 (or Form 1041, line 6).

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

SCHEDULE C–1.—Cost of Goods Sold and/or Operations (See Schedule C Instructions for Part I, line 2)

1 Inventory at beginning of year (if different from last year's closing inventory, attach explanation)	1		
2 Purchases (less cost of items withdrawn for personal use)	2		
3 Cost of labor (do not include salary paid to yourself)	3		
4 Materials and supplies	4		
5 Other costs	5		
6 Add lines 1 through 5	6		
7 Inventory at end of year	7		
8 Cost of goods sold and/or operations (subtract line 7 from line 6). **Enter here and on Part I, line 2** ▶	8		

SCHEDULE D
(FORM 1040)
Department of the Treasury
Internal Revenue Service (X)

Capital Gains and Losses

(Examples of property to be reported on this Schedule are gains and losses on stocks, bonds, and similar investments, and gains (but not losses) on personal assets such as a home or jewelry.)

▶ Attach to Form 1040. ▶ See Instructions for Schedule D (Form 1040).

OMB No. 1545-0074
1982
14

Name(s) as shown on Form 1040 | Your social security number

Part I Short-term Capital Gains and Losses—Assets Held One Year or Less

D

a. Kind of property and description (Example, 100 shares 7% preferred of "Z" Co.)	b. Date acquired (Mo., day, yr.)	c. Date sold (Mo., day, yr.)	d. Gross sales price less expense of sale	e. Cost or other basis, as adjusted (see instructions page 23)	f. LOSS If column (e) is more than (d) subtract (d) from (e)	g. GAIN If column (d) is more than (e) subtract (e) from (d)
1						

2a Gain from sale or exchange of a principal residence held one year or less, from Form 2119, lines 7 or 11	2a	▨	
b Short-term capital gain from installment sales from Form 6252, line 21 or 29	2b	▨	
3 Net short-term gain or (loss) from partnerships and fiduciaries	3		
4 Add lines 1 through 3 in column f and column g	4	( )	
5 Combine line 4, column f and line 4, column g and enter the net gain or (loss)	5		
6 Short-term capital loss carryover from years beginning after 1969	6		( )
7 Net short-term gain or (loss), combine lines 5 and 6	7		

Part II Long-term Capital Gains and Losses—Assets Held More Than One Year

8						

9a Gain from sale or exchange of a principal residence held more than one year, from Form 2119, lines 7, 11, 16 or 18	9a	▨	
b Long-term capital gain from installment sales from Form 6252, line 21 or 29	9b	▨	
10 Net long-term gain or (loss) from partnerships and fiduciaries	10		
11 Add lines 8 through 10 in column f and column g	11	( )	
12 Combine line 11, column f and line 11, column g and enter the net gain or (loss)	12		
13 Capital gain distributions	13		
14 Enter gain from Form 4797, line 5(a)(1)	14		
15 Enter your share of net long-term gain from small business corporations (Subchapter S)	15		
16 Combine lines 12 through 15	16		
17 Long-term capital loss carryover from years beginning after 1969	17		( )
18 Net long-term gain or (loss), combine lines 16 and 17	18		

Note: *Complete this form on reverse. However, if you have capital loss carryovers from years beginning before 1970, do not complete Parts III or V. See Form 4798 instead.*

For Paperwork Reduction Act Notice, see Form 1040 instructions

Part III Summary of Parts I and II

19 Combine lines 7 and 18, and enter the net gain or (loss) here 19

Note: If line 19 is a loss, skip lines 20 through 22 and complete lines 23 and 24. If line 19 is a gain complete lines 20 through 22 and skip lines 23 and 24 . . . .

20 If line 19 shows a gain, enter the smaller of line 18 or line 19. Enter zero if there is a loss or no entry on line 18 20

21 Enter 60% of line 20 21

If line 21 is more than zero, you may be liable for the alternative minimum tax. See Form 6251.

22 Subtract line 21 from line 19. Enter here and on Form 1040, line 13 22

23 If line 19 shows a loss, enter one of the following amounts:
- *(i)* If line 7 is zero or a net gain, enter 50% of line 19;
- *(ii)* If line 18 is zero or a net gain, enter line 19; or
- *(iii)* If line 7 and line 18 are net losses, enter amount on line 7 added to 50% of the amount on line 18 23

24 Enter here and as a loss on Form 1040, line 13, the smallest of:
- *(i)* The amount on line 23;
- *(ii)* $3,000 ($1,500 if married and filing a separate return); or
- *(iii)* Taxable income, as adjusted 24

Part IV Complete this Part Only if You Elect Out of the Installment Method And Report a Note or Other Obligation at Less Than Full Face Value

☐ Check here if you elect out of the installment method.

Enter the face amount of the note or other obligation ▶ ....

Enter the percentage of valuation of the note or other obligation ▶

Part V Computation of Post-1969 Capital Loss Carryovers from 1982 to 1983

(Complete this part if the loss on line 23 is more than the loss on line 24)

Note: You do not have to complete Part V on the copy you file with IRS.

Section A.—Short-term Capital Loss Carryover

25 Enter loss shown on line 7; if none, enter zero and skip lines 26 through 30—then go to line 31 . . 25

26 Enter gain shown on line 18. If that line is blank or shows a loss, enter zero 26

27 Reduce any loss on line 25 to the extent of any gain on line 26 27

28 Enter amount shown on line 24 28

29 Enter smaller of line 27 or 28 29

30 Subtract line 29 from line 27. This is your short-term capital loss carryover from 1982 to 1983 . . . 30

Section B.—Long-term Capital Loss Carryover

31 Subtract line 29 from line 28 (**Note:** *If you skipped lines 26 through 30, enter amount from line 24*) . 31

32 Enter loss from line 18; if none, enter zero and skip lines 33 through 36 32

33 Enter gain shown on line 7. If that line is blank or shows a loss, enter zero 33

34 Reduce any loss on line 32 to the extent of any gain on line 33 34

35 Multiply amount on line 31 by 2 35

36 Subtract line 35 from line 34. This is your long-term capital loss carryover from 1982 to 1983 . . . 36

SCHEDULE E
(Form 1040)
Department of the Treasury
Internal Revenue Service (X)

Supplemental Income Schedule

(From rents and royalties, partnerships, estates and trusts, etc.)
▶ Attach to Form 1040. ▶ See Instructions for Schedule E (Form 1040).

OMB No. 1545-0074
1982
15

Name(s) as shown on Form 1040

Your social security number

Part I Rent and Royalty Income or Loss

1 Are any of the expenses listed below for a vacation home or other recreational unit (see Instructions)? ☐ Yes ☐ No

2 If you checked "Yes" to question 1, did you or a member of your family occupy the vacation home or other recreational unit for more than the greater of 14 days or 10% of the total days rented at fair rental value during the tax year? ☐ Yes ☐ No

Description of Properties

Property A (Show kind and location)

Property B (Show kind and location)

Property C (Show kind and location)

Rental and Royalty Income		Properties A	Properties B	Properties C		Totals (Add columns A, B, and C)
3 a Rents received					3	
b Royalties received						▨
Rental and Royalty Expenses						▨
4 Advertising	4					▨
5 Auto and travel	5					▨
6 Cleaning and maintenance	6					▨
7 Commissions	7					▨
8 Insurance	8					▨
9 Interest	9					▨
10 Legal and other professional fees	10					▨
11 Repairs	11					▨
12 Supplies	12					▨
13 Taxes (Do NOT include Windfall Profit Tax here. See Part III, line 35)	13					▨
14 Utilities	14					▨
15 Wages and salaries	15					▨
16 Other (list) ▶						▨
						▨
						▨
						▨
						▨
						▨
						▨
						▨
						▨
						▨
17 Total expenses other than depreciation and depletion. Add lines 4 through 16	17				17	
18 Depreciation expense (see Instructions), or Depletion	18				18	
19 Total. Add lines 17 and 18	19					▨
20 Income or (loss) from rental or royalty properties. Subtract line 19 from line 3a (rents) or 3b (royalties)	20					▨

E

21 Add properties with profits on line 20, and write the total profits here	21	
22 Add properties with losses on line 20, and write the total (losses) here	22	( )
23 Combine amounts on lines 21 and 22, and write the net profit or (loss) here	23	
24 Net farm rental profit or (loss) from Form 4835, line 50	24	
25 Total rental or royalty income or (loss). Combine amounts on lines 23 and 24, and write the total here. If Parts II, III, and IV on page 2 do not apply to you, write the amount from line 25 on Form 1040, line 18. Otherwise, include the amount in line 37 of Schedule E	25	

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Part II Income or Losses from Partnerships, Estates or Trusts, or Small Business Corporations

If you report a loss below, do you have amounts invested in that activity for which you are not "at risk" (see Instructions)? ☐ Yes ☐ No

If "Yes," and your loss exceeded your amount "at risk," did you limit your loss to your amount "at risk?" . . . . . . ☐ Yes ☐ No

	(a) Name	(b) Employer identification number		(c) Net loss (see instructions for "at risk" limitations)	(d) Net income
Partnerships					
	26 Add amounts in columns (c) and (d) and write here		26	( )	
	27 Combine amounts in columns (c) and (d), line 26, and write net income or (loss)			27	
	28 Expense deduction for section 179 property, (Form 1065, Schedule K-1, line 11). Do not enter more than $5,000 ($2,500 if married filing separately)			28	( )
	29 Total partnership income or (loss). Combine amounts on lines 27 and 28. Write here and include in line 37 below			29	
Estates or Trusts					
	30 Add amounts in columns (c) and (d) and write here		30	( )	
	31 Total estate or trust income or (loss). Combine amounts in columns (c) and (d), line 30. Write here and include in line 37 below			31	
Small Business Corporations					
	32 Add amounts in columns (c) and (d) and write here		32	( )	
	33 Total small business corporation income or (loss). Combine amounts in columns (c) and (d), line 32. Write here and include in line 37 below			33	

Part III Windfall Profit Tax Summary

34 Windfall profit tax credit or refund received in 1982 (see Instructions)	34	
35 Windfall profit tax withheld in 1982 (see Instructions)	35	( )
36 Combine amounts on lines 34 and 35. Write here and include in line 37 below	36	

Part IV Summary

37 TOTAL income or (loss). Combine lines 25, 29, 31, 33, and 36. Write here and on Form 1040, line 18 . ▶			37	
38 Farmers and fishermen: Write your share of GROSS FARMING AND FISHING INCOME applicable to Parts I and II	38			▨

Part V Depreciation Claimed in Part I.—Complete only if property was placed in service before January 1, 1981. For more space, use Form 4562. If you placed any property in service after December 31, 1980, use Form 4562 for all property; do NOT complete Part V.

	(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in prior years	(e) Depreciation method	(f) Life or rate	(g) Depreciation for this year
Property A							
Totals (Property A)							
Property B							
Totals (Property B)							
Property C							
Totals (Property C)							

SCHEDULE F
(Form 1040)
Department of the Treasury
Internal Revenue Service (X)

Farm Income and Expenses

▶ **Attach to Form 1040, Form 1041, or Form 1065.**
▶ **See Instructions for Schedule F (Form 1040).**

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Name of proprietor(s)
Social security number

Farm name and address ▶
Employer identification number

Part I Farm Income—Cash Method

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797.

Sales of Livestock and Other Items You Bought for Resale

a. Description	b. Amount	c. Cost or other basis
1 Livestock ▶		
2 Other items ▶		
3 Totals		
4 Profit or (loss), subtract line 3, column c, from line 3, column b ▶		

Sales of Livestock and Produce You Raised and Other Farm Income

Kind		Amount
5 Cattle and calves		
6 Sheep		
7 Swine		
8 Poultry		
9 Dairy products		
10 Eggs		
11 Wool		
12 Cotton		
13 Tobacco		
14 Vegetables		
15 Soybeans		
16 Corn		
17 Other grains		
18 Hay and straw		
19 Fruits and nuts		
20 Machine work		
21 a Patronage dividends		▨
b Less: Nonincome items		▨
c Net patronage dividends		
22 Per-unit retains		
23 Nonpatronage distributions from exempt cooperatives		
24 Agricultural program payments: a Cash		
b Materials and services		
25 Commodity credit loans under election (or forfeited)		
26 Federal gasoline tax credit		
27 State gasoline tax refund		
28 Crop insurance proceeds		
29 Other (specify) ▶		
30 Add amounts in column for lines 5 through 29		
31 Gross profits* (add lines 4 and 30) ▶		

Part II Farm Deductions—Cash and Accrual Method

F

Do not include personal or living expenses (such as taxes, insurance, repairs, etc., on your home), which do not produce farm income. Reduce the amount of your farm deductions by any reimbursement before entering the deduction below.

Items	Amount
32 a Labor hired	
b Jobs credit	
c Balance (subtract line 32b from line 32a)	
33 Repairs, maintenance	
34 Interest	
35 Rent of farm, pasture	
36 Feed purchased	
37 Seeds, plants purchased	
38 Fertilizers, lime, chemicals	
39 Machine hire	
40 Supplies purchased	
41 Breeding fees	
42 Veterinary fees, medicine	
43 Gasoline, fuel, oil	
44 Storage, warehousing	
45 Taxes	
46 Insurance	
47 Utilities	
48 Freight, trucking	
49 Conservation expenses	
50 Land clearing expenses	
51 Pension and profit-sharing plans	
52 Employee benefit programs other than line 51	
53 Other (specify) ▶	
54 Total (add lines 32c through 53)	
55 Depreciation, including Section 179 expense deduction (from Form 4562)	
56 **Total deductions** (add lines 54 and 55)	

57 Net farm profit or (loss) (subtract line 56 from line 31). If a profit, enter on Form 1040, line 19, and on Schedule SE, Part I, line 1. If a loss, go on to line 58. (Fiduciaries and partnerships, see the Instructions.) 57

58 If you have a loss, do you have amounts for which you are not "at risk" in this farm (see instructions)? ☐ Yes ☐ No
If you checked "No," enter the loss on Form 1040, line 19, and on Schedule SE, Part I, line 1.

*Use amount on line 31 for optional method of computing net earnings from self-employment. (See Schedule SE, Part II, line 4.)

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Part III Farm Income—Accrual Method (Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797 and omit them from "Inventory at beginning of year" column.)

a. Kind	b. Inventory at beginning of year	c. Cost of items purchased during year	d. Sales during year	e. Inventory at end of year
59 Cattle and calves				
60 Sheep				
61 Swine				
62 Poultry				
63 Dairy products				
64 Eggs				
65 Wool				
66 Cotton				
67 Tobacco				
68 Vegetables				
69 Soybeans				
70 Corn				
71 Other grains				
72 Hay and straw				
73 Fruits and nuts				
74 Machine Work				
75 Other (specify) ▶				
76 Totals (enter here and in Part IV below)	(Enter on line 85)	(Enter on line 86)	(Enter on line 78)	(Enter on line 77)

Part IV Summary of Income and Deductions—Accrual Method

77 Inventory of livestock, crops, and products at end of year (line 76, column e)		
78 Sales of livestock, crops, and products during year (line 76, column d)		
79 Agricultural program payments: a Cash		
b Materials and services		
80 Commodity credit loans under election (or forfeited)		
81 Federal gasoline tax credit		
82 State gasoline tax refund		
83 Other farm income (specify) ▶		
84 Add lines 77 through 83		
85 Inventory of livestock, crops, and products at beginning of year (line 76, column b)		
86 Cost of livestock and products purchased during year (line 76, column c)		
87 Total (add lines 85 and 86)		
88 Gross profits* (subtract line 87 from line 84)		
89 Total deductions from Part II, line 56		▶
90 Net farm profit or (loss) (subtract line 89 from line 88). If a profit, individuals enter on Form 1040, line 19, and on Schedule SE, Part I, line 1. If a loss, go on to line 91. (Fiduciaries and partnerships, see the Instructions.)		90

91 If you have a loss, do you have amounts for which you are not "at risk" in this farm (see Instructions)? ☐ Yes ☐ No
If you checked "No," enter the loss on Form 1040, line 19, and on Schedule SE, Part I, line 1.

*Use amount on line 88 for optional method of computing net earnings from self-employment. (See Schedule SE, Part II, line 4.)

Schedule G
(Form 1040)
Department of the Treasury
Internal Revenue Service
∞

Income Averaging

▶ See instructions on back. ▶ Attach to Form 1040.

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1982
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Name(s) as shown on Form 1040

Your social security number

Step 1 Figure your income for 1978-1981

1978 1 Fill in the amount from your 1978 Form 1040 (line 34) or Form 1040A (line 10) 1
2 Multiply your total exemptions in 1978 by $750 2
3 Subtract line 2 from line 1. If less than zero, enter zero 3

1979 4 Fill in the amount from your 1979 Form 1040 (line 34) or Form 1040A (line 11) 4
5 Multiply your total exemptions in 1979 by $1,000 . . . 5
6 Subtract line 5 from line 4. If less than zero, enter zero 6

1980 7 Fill in the amount from your 1980 Form 1040 (line 34) or Form 1040A (line 11) 7
8 Multiply your total exemptions in 1980 by $1,000 . . . 8
9 Subtract line 8 from line 7. If less than zero, enter zero 9

1981 10 Taxable income. Fill in the amount from your 1981 Form 1040 (line 34) or Form 1040A (line 12). If less than zero, enter zero 10

Total 11 Fill in all income earned outside of the United States or within U.S. possessions and excluded for 1978 through 1981 11
12 Add lines 3, 6, 9, 10 and 11 12

Step 2 Figure your averageable income

Multiply the amount on line 12 by 30% (.30) . . . .
13 Write in the answer 13
14 Fill in your taxable income for 1982 from Form 1040, line 37 14
15 If you received a premature or excessive distribution subject to a penalty under section 72, see instructions 15
16 Subtract line 15 from line 14 16
17 If you live in a community property state and are filing a separate return, see instructions 17
18 Subtract line 17 from line 16. If less than zero, enter zero 18
19 Write in the amount from line 13 above 19
20 Subtract line 19 from line 18. This is your averageable income 20

If line 20 is $3,000 or less, do not complete the rest of this form. You do not qualify for income averaging.

Step 3 Figure your tax

Multiply the amount on line 20 by 20% (.20) . . . .
21 Write in the answer 21
22 Write in the amount from line 13 above 22
23 Add lines 21 and 22 23
24 Write in the amount from line 17 above 24
25 Add lines 23 and 24 25
26 Tax on amount on line 25 (from Tax Rate Schedule X, Y, or Z) 26
27 Tax on amount on line 23 (from Tax Rate Schedule X, Y, or Z) . . 27
28 Tax on amount on line 22 (from Tax Rate Schedule X, Y, or Z) . . 28
29 Subtract line 28 from line 27 29
Multiply the amount on line 29 by 4 . . . .
30 Write in the answer 30
If you have no entry on line 15, skip lines 31 through 33 and go to line 34.
31 Tax on amount on line 14 (from Tax Rate Schedule X, Y, or Z) . . 31
32 Tax on amount on line 16 (from Tax Rate Schedule X, Y, or Z) . . 32
33 Subtract line 32 from line 31 33
34 Add lines 26, 30, and 33. Write the result here and on Form 1040, line 38. Be sure to check the Schedule G box on that line 34

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Instructions

If your income this year is much greater than the average of your income for the past 4 base period years (1978–1981), you may be able to pay less tax by income averaging. To see if you qualify, complete lines 1–20 of this schedule. If line 20 is more than $3,000, fill in the rest of this schedule to see if you will save by income averaging.

If you are eligible, and line 34 of this schedule is less than your tax using other methods, you may choose the income averaging method. You must attach this schedule to your Form 1040 to choose the benefits of income averaging. Generally, you may make or change this choice anytime within 3 years from the date you filed your return.

For more information and a filled-in sample Schedule G, please get **Publication 506**, Income Averaging.

Who Can Income Average?

To be eligible to file Schedule G with Form 1040, you (and your spouse, if you are filing a joint return) must meet the following requirements:

(1) Citizenship or residence.—You must have been a U.S. citizen or resident for all of 1982. You are not eligible if you were a nonresident alien at any time during the 5 tax years ending with 1982.

(2) Support.—You must have furnished at least 50% of your own support for each of the years 1978 through 1981. In a year in which you were married, you and your spouse must have provided at least 50% of the support of both of you. For the definition of support, see Form 1040 Instructions, page 7.

Exceptions: Disregard the support requirement if any one of the three following situations applies to you:

(1) You were 25 or older before the end of 1982 and were not a full-time student during 4 or more of your tax years which began after you reached 21; or

(2) More than 50% of your 1982 taxable income (line 14) is from work you performed in substantial part during 2 or more of the 4 tax years before 1982; or

(3) You file a joint return for 1982 and your income for 1982 is not more than 25% of the total combined adjusted gross income (line 33, Form 1040).

For the definition of full-time student, see Form 1040 Instructions, page 7.

Caution: In the same year you file Schedule G you may not claim the benefits of sections 911 or 931 through 934 (I.R. Code).

Figure Your Income for 1978–1981.

(1) Use your separate income and deductions for all years if you were unmarried in 1978 through 1982.

(2) Use the combined income and deductions of you and your spouse for a base period year:

- If you are married in 1982, and
- If you file a joint return with your spouse or are a qualifying widow(er) in 1982, and
- If you were not married to any other spouse in that base period year.

(3) If (1) and (2) do not apply, your separate base period income is the largest of the following amounts:

(a) Your separate income and deductions for the base period year;

(b) Half of the base period income from adding your separate income and deductions to the separate income and deductions of your spouse for that base period year; or

(c) Half of the base period income from adding your separate income and deductions to your 1982 spouse's separate income and deductions for that base period year.

Note: *If you were married to one spouse in a base period year and are married and file a joint return with a different spouse in 1982, your separate base period income is the larger of (3)(a) or (b) above. Combine that amount with your 1982 spouse's separate base period income for that base period year.*

Figuring Your Separate Income and Deductions.

The amount of your separate income and deductions for a base period year is your gross income for that year minus your allowable deductions.

If you filed a joint return for a base period year, your separate deductions are:

(1) For deductions allowable in figuring your adjusted gross income, the sum of those deductions attributable to your gross income; and

(2) For deductions allowable in figuring taxable income (exemptions and itemized deductions), the amount from multiplying the deductions allowable on the joint return by a fraction whose numerator is your adjusted gross income and whose denominator is the combined adjusted gross income on the joint return. However, if 85% or more of the combined adjusted gross income of you and your spouse is attributable to one spouse, all deductions allowable in figuring taxable income are allowable to that spouse.

Community property laws.—In figuring your separate taxable income when community property laws apply, you must take into account:

- all of your earned income without regard to the community property laws, or
- your share of the community earned income under community property laws, whichever is more.

If you must figure your separate taxable income for any of the base period years, attach a statement showing the computation and the names under which the returns were filed.

Line-by-Line Instructions

Lines 1–10.—If you did not file a return for any year from 1978 through 1981, enter the amounts that would otherwise be reportable on the appropriate lines. If the amount reported on your return for any of the years was changed by an amended return or by the Internal Revenue Service, enter the corrected amount.

Line 11.—If you excluded any income in any year from 1978 through 1981 because the income was earned from sources outside the United States or within U.S. possessions, fill in the total amount of income (less deductions) that you excluded during that period. Otherwise, leave line 11 blank.

Line 15.—If you are or were an owner-employee, and you received income in 1982 from a premature or excessive distribution from a Keogh (H.R. 10) plan or trust that was subject to a penalty under section 72(m)(5), fill in the amount of that income on this line. Or, if you were an employee in a qualified plan and made deductible voluntary contributions, and received a premature distribution of those contributions subject to a penalty under section 72(o), include that amount on line 15. If you received a premature distribution under an annuity contract subject to a penalty under section 72(q), that amount must also be included on line 15. Otherwise, leave line 15 blank.

Line 17.—You must make this adjustment if you are married, a resident of a community property State, and file a separate return for 1982. Enter the community earned income you reported minus that part of the income which is attributable to your services. Skip this line if the earned income attributable to your services is more than 50% of your combined community earned income.

Example:

Community Earned	Attributable to Service of		
	John	**Carol**	**Both**
Income . .	$40,000	$20,000	$60,000

- **John,** filing a separate return, has no adjustment since the amount of earned income attributable to the services of John ($40,000) is more than 50% of the combined community earned income ($30,000).
- **Carol,** filing a separate return, must include $10,000 in the total for line 17. This is the excess of the 50% of the community earned income reportable by Carol ($30,000) over the amount of community earned income attributable to Carol's services ($20,000).

Lines 26, 27, 28, 31 and 32.—Figure the tax using Tax Rate Schedule X, Y, or Z from the 1040 instructions.

Line 34.—If the tax on this line is less than the tax figured in any other way, enter the amount from this line on Form 1040, line 38, and check the Schedule G box on that line.

Schedules R & RP (Form 1040)
Department of the Treasury
Internal Revenue Service (X)

Credit for the Elderly

▶ See instructions for Schedules R and RP.
▶ Attach to Form 1040. ▶ Schedule RP is on back.

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1982
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Name(s) as shown on Form 1040	Your social security number

Please Note: *IRS will figure your Credit for the Elderly and compute your tax. Please see "IRS Will Figure Your Tax and Some of Your Credits" on page 3 of the Form 1040 instructions and complete the applicable lines on Form 1040 and Schedule R or RP.*

Should You Use Schedule R or RP?

If you are:	And were:	Use Schedule:
Single	▶ 65 or over	R
	▶ under 65 and had income from a public retirement system	RP
Married, filing separate return [1]	▶ 65 or over (unless joining in the election to use Schedule RP with your spouse who is under 65 and had income from a public retirement system)	R
	▶ under 65 and had income from a public retirement system (unless your spouse is 65 or over and does not join in the election to use Schedule RP)	RP
Married, filing joint return	▶ both 65 or over	R
	▶ one 65 or over, and one under 65 with no income or income other than from a public retirement system	R
	▶ both under 65 and one or both had income from a public retirement system	RP
	▶ one 65 or over, and one under 65 with income from a public retirement system	R or RP [2]

[1] You can take the credit on a separate return ONLY if you and your spouse lived apart for the whole year. See "Purpose" in Schedules R&RP instructions for limitation.

[2] Figure your credit on both schedules to see which gives you more credit.

Schedule R **Credit for the Elderly—For People 65 or Over**

If you received nontaxable pensions (social security, etc.) of $3,750 or more, or your adjusted gross income (Form 1040, line 33) was $17,500 or more, or your tax (Form 1040, line 40) is zero, you cannot take the Credit for the Elderly. Do not file this schedule.

R

Filing Status and Age (check only one box)

A ☐ Single, 65 or over
B ☐ Married filing joint return, only one spouse 65 or over
C ☐ Married filing joint return, both 65 or over
D ☐ Married filing separate return, 65 or over, and did not live with spouse at any time in 1982

1 Enter: { $2,500 if you checked box A or B; $3,750 if you checked box C; $1,875 if you checked box D } . . . . **1** ____

2 a Enter amounts you received as pensions or annuities under the Social Sectuity Act or under the Railroad Retirement Act (but not supplemental annuities), and certain other exclusions from gross income (see instructions). If none, you must enter zero . . . . **2a** ____

b Enter amount from Form 1040, line 33 . . . **2b** ____

c Enter: { $7,500 if you checked box A; $10,000 if you checked box B or C; $5,000 if you checked box D } . **2c** ____

d Subtract line 2c from 2b. If line 2c is more than line 2b, enter zero . . . . **2d** ____

e Enter one-half (½) of line 2d . . . . **2e** ____

3 Add lines 2a and 2e. (If line 3 is the same or more than line 1, you cannot take the credit; do not file this schedule. If line 3 is less than line 1, go on to line 4.) . . . . **3** ____

4 Subtract line 3 from line 1 . . . . **4** ____

5 Multiply line 4 by 15% (.15) . . . . **5** ____

6 Enter amount of tax from Form 1040, line 40 . . . . **6** ____

7 Enter the amount from line 5 or line 6, above, whichever is less. This is your **Credit for the Elderly.** Enter the same amount on Form 1040, line 41 . . . . ▶ **7** ____

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Schedules R&RP (Form 1040) 1982 OMB No. 1545-0074

Name(s) as shown on Form 1040	Your social security number

Schedule RP Credit for the Elderly—For People Under 65 Who Had Pension or Annuity Income from a Public Retirement System

21

If you are under 72 and received nontaxable pensions (social security etc.) of $2,500 or more, or your earned income (salaries, wages, etc.) was $3,950 or more, or your tax (Form 1040, line 40) is zero, you cannot take the Credit for the Elderly. Do not file this schedule.

Name(s) of public retirement system(s)

Filing Status and Age (check only one box)

- A ☐ Single, under 65
- B ☐ Married filing joint return, one spouse is under 65, and that person had income from a public retirement system. (If you checked this box and had community property income, see Community Property Income in the instructions.)
- C ☐ Married filing joint return, both under 65. (If you checked this box and had community property income, see Community Property Income in the instructions.)
- D ☐ Married filing separate return, under 65, and did not live with your spouse at any time in 1982.
- E ☐ Married filing separate return, 65 or over, did not live with your spouse at any time in 1982, and you are joining with your spouse in electing to use Schedule RP.

RP

Column (b)—Fill out column (b) whether you file a separate or joint return.
Column (a)—Fill out column (a) only if you file a joint return and your spouse has retirement income as set forth in line 5. Use it to show amounts for:
- The wife, if both of you were under 65, or
- The spouse who was 65 or over.

		(a)	(b)
1 Enter: $2,500 if you checked box A . . . . $2,500 if you checked box B or C, and are using only column (b). If you are using both columns (a) and (b) because both you and your spouse have retirement income as set forth in line 5, allocate $3,750 between you and your spouse, but do not enter more than $2,500 for either of you. It will generally be to your benefit to allocate the greater amount to the spouse with more retirement income . . . . $1,875 if you checked box D or box E	1		
2 Enter:			
a Amounts you received as pensions or annuities under the Social Security Act or under the Railroad Retirement Act (but not supplemental annuities), and certain other exclusions from gross income (see instructions). If none, you must enter zero	2a		
b Earned income such as wages, salaries, fees, etc. you received (does not apply to people 72 or over). (See instructions for definition of earned income.):			
(i) If you are under 62, enter earned income that is over $900	2b(i)		
(ii) If you are 62 or over but under 72, enter an amount that you will figure as follows: If earned income is $1,200 or less, enter zero . . . . . If earned income is over $1,200 but not over $1,700, enter one-half of the amount over $1,200 . . . . . If earned income is over $1,700, enter the amount over $1,450	2b(ii)		
3 Add lines 2a and 2b	3		
4 Subtract line 3 from line 1. (If the result for either column is more than zero, go on. If the result for either column is zero or less, do not complete the rest of the lines in that column. If the result for both columns is zero or less, you cannot take the credit; do not file this schedule.)	4		
5 Retirement income:			
a If under 65— Enter only income from pensions and annuities under public retirement systems (e.g. Federal, State Governments, etc.) that you received as a result of your services or services of your spouse that you reported as income. Do not enter social security, railroad retirement or certain other payments reported on line 2a	5a		
b If 65 or over— Enter total of pensions and annuities, interest, dividends, proceeds of retirement bonds, and amounts you received from individual retirement arrangements and individual retirement annuities that you reported as income, and gross rents from: Schedule E, Part I, columns A–C, line 3a and Form 4835, line 24. Also include your share of gross rents from partnerships and your share of taxable rents from estates and trusts	5b		
6 Enter amount from line 4 or line 5, whichever is less	6		
7 Add amounts in columns (a) and (b) of line 6. Enter total here . . . . ▶	7		
8 Multiply line 7 by 15% (.15)	8		
9 Enter amount of tax from Form 1040, line 40	9		
10 Enter the amount from line 8 or line 9, above, whichever is less. This is your **Credit for the Elderly.** Enter the same amount on Form 1040, line 41 . . . . ▶	10		

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

1982 Department of the Treasury
Internal Revenue Service

Instructions for Schedules R and RP

Credit for the Elderly

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose

Some elderly people can pay less tax by using a tax credit. To do this, they must file one of two schedules (R or RP). Your credit cannot be more than your tax (on Form 1040, line 40). The credit is available no matter how long you worked. The amount of the credit is based on your filing status and age, and, if you are married, on your spouse's age. Which schedule you use depends on your age and the kind of income you had.

Schedule R is for people who are 65 or over. However, if you are married filing a joint return and either you or your spouse is under 65 with income from a public retirement system, you may elect to use Schedule RP. The election is made by filing Schedule RP with your return.

Schedule RP is for people under 65 who were employees of Federal, State, or local governments and who had income from a public retirement system.

Examples of these retired employees are: Federal civil service workers, public school teachers, members of police and fire departments, and members of the armed forces. For more information, please get **Publication 524,** Credit for the Elderly.

If you lived with your spouse at any time in 1982, you must file a joint return to take the credit. If you and your spouse lived apart the whole year, you can file either a joint return or separate returns, but you may be limited in what schedule, if any, you can use. If your spouse is 65 or older and you are under 65 with public retirement system income, you cannot use Schedule RP unless your spouse makes the election with you to use Schedule RP. The election is made by both of you filing Schedule RP with your return. If your spouse does not make the election with you, you cannot claim any credit for the elderly on your separate return.

An individual who is a nonresident alien for any part of the tax year may elect to take the credit if:

a. he or she is married to a U.S. citizen or resident at the end of the tax year, and

b. the couple choose to be taxed on their worldwide income.

Figuring the Credit

If you want us to, we will figure your credit. Please see page 3 of the Form 1040 Instructions, "IRS Will Figure Your Tax and Some of Your Credits."

If you figure it yourself, first fill out Form 1040 through line 40. Then, read the instructions for the schedule (R or RP) you would use. If you are married and have a choice of schedules, figure your credit both ways to see which schedule will give you more credit.

Line-by-Line Instructions for Schedule R

Be sure to enter your name and social security number at the top.

Boxes A-D

Filing Status and Age

The largest amount you can use to figure the credit is based on your filing status and age, and, if you are married, on your spouse's age. "Single" includes Head of Household and Qualifying Widow(er) with Dependent Child. Check only one box.

Line 1

Enter the amount for the box you checked.

Line 2a

Report pensions and annuities that are exempt from taxation. (Do not include amounts you received from workmen's compensation insurance, damages, etc., for injury or sickness.) Include payments you received from:

- Social security (before deduction of medicare premiums).
- Railroad retirement (but not supplemental annuities).
- Veterans' pensions (but not military disability pensions).
- A matured U.S. Government life insurance endowment contract (after you subtract all amounts you paid for the contract).

Lines 2b, c, d, and e

Use these lines if your adjusted gross income on Form 1040, line 33, is MORE than the amount printed on line 2c for the box that you checked.

Line 3

Add lines 2a and 2e. Put total on line 3. If the amount on line 3 is the same or more than the amount on line 1, you cannot take the credit; do not file Schedule R.

Line 4

Subtract line 3 from line 1. This is the amount you use to figure your credit.

Line 5

Multiply line 4 by 15% (.15) and enter the result on line 5.

Line 6

Enter the tax from Form 1040, line 40. (If this amount is zero, you cannot take the credit; do not file Schedule R.)

Line 7

Enter the amount from line 5 or line 6, whichever is less. This is your Credit for the Elderly. Put the same amount on Form 1040, line 41.

Line-by-Line Instructions for Schedule RP

Be sure to enter your name and social security number at the top.

Name of Public Retirement System

Please enter the name of the public retirement system of the spouse under 65. If both you and your spouse are under 65 and receive income from a public retirement system(s), enter the name of the public retirement system(s) of both you and your spouse. Identify the husband's public retirement system with an (H) and the wife's with a (W).

Boxes A-E

Filing Status and Age

The largest amount you can use to figure the credit is based on your filing status and age, and, if you are married, on your spouse's age. "Single" includes Head of Household and Qualifying Widow(er) with Dependent Child. Check only one box.

If you are filing a joint return and checked box C, use column (a) for the wife and column (b) for the husband. If you checked box B, the spouse under 65 should use column (b). If your spouse does not have any retirement income as set forth in line 5, do not complete column (a).

Community Property Income

If you use Schedule RP and file a joint return, you should disregard community property laws in figuring the credit. (Community property States are: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington.) Enter the total of all taxable and nontaxable income in the column of the spouse who received it.

Line 1

Enter the amount for the box you checked. If you are filing a joint return and you checked box B or C, and you are using both column (a) and column (b) because both you and your spouse have retirement income as set forth in line 5, allocate $3,750 between you and your spouse. No more than $2,500 can be entered for either of you. Generally, you will get more credit if the larger amount is entered for the spouse with more retirement income.

Line 2a

Report pensions and annuities that are exempt from taxation. (Do not include amounts you received from workmen's compensation insurance, damages, etc., for injury or sickness.) Include payments you received from:

- Social security (before deduction of medicare premiums).
- Railroad retirement (but not supplemental annuities).
- Veterans' pensions (but not military disability pensions).
- A matured U.S. Government life insurance endowment contract (after you subtract all amounts you paid for the contract).

Line 2b

Use this line if you had wages, salaries, or other earned income (including disability income that you reported on Form 1040, line 7) of more than:

- $900 and you were under 62, **or**
- $1,200 and you were at least 62 but under 72.

Skip this line and go to line 3 if you:

- were 72 or over, **or**
- had earned income of $900 or less, **or**
- were at least 62 but under 72 and had earned income of $1,200 or less.

Earned income is income you receive for personal services you have performed. It includes wages, salaries, and professional fees.

Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 7, 12, and 19.

Earned income does not include pay for your services that included a distribution of earnings and profits other than reasonable compensation for your work for a corporation.

If you were engaged in a trade or business in which both your services and capital were important income-producing factors, your earned income will be based on a reasonable allowance for the services you performed. However, the earned income may not be more than 30 percent of your share of the net profits from the business.

If you were engaged in a trade or business in which capital was not an important income-producing factor, your earned income may not be more than the net earnings from the trade or business.

If you were under 62 and had earned income of more than $900, subtract $900 from the amount you earned. Enter the result on line 2b(i).

If you were at least 62 but under 72, and had earned income of more than $1,200 but not more than $1,700, subtract $1,200 from the amount of your earned income. Divide the balance by 2 and enter the result on line 2b(ii).

If you were at least 62 but under 72, and had earned income of more than $1,700, subtract $1,450 from your earned income. Enter the result on line 2b(ii).

Line 3

Add lines 2a, 2b(i), and 2b(ii). Put the total on line 3.

Line 4

Subtract line 3 from line 1. This is the largest amount of income you can use to figure your credit.

If the amount on line 3 is more than the amount on line 1 for a column, do not complete the rest of the lines in that column. If the result for both columns is zero or less, you cannot take the credit; do not file this schedule.

Line 5

The kind of retirement income you enter depends on whether you are under 65 or whether you are 65 or over. Do not include any amount from line 2a; those pensions are not taxable.

Line 5a

If you were under 65 on January 1, 1983, enter the pension or annuity payments you received from a public retirement system and reported as income. Do not enter social security income or railroad retirement that you excluded from gross income.

If your spouse died and you received payments from his or her public retirement plan, enter the payments you reported as income.

If you retired on disability, report your disability annuity payments as retirement income if:

- the payments are for periods after you reached minimum retirement age, **and,**
- the payments are not reportable on Form 1040, line 7.

Line 5b

If you were 65 or over on January 1, 1983, enter the amount that you reported as income from the sources listed below:

- Individual retirement arrangements (IRA), pension or annuity contracts, and retirement bonds.
- Interest.
- Dividends.
- Gross rents (before subtracting expenses) and taxable rents from trusts and estates.

Line 6

Enter the amount from line 4 or 5, whichever is less.

Line 7

If you are filing a joint return, add the amounts in columns (a) and (b) of line 6. Enter the total on line 7. If you are not filing a joint return, enter the amount from column (b) of line 6.

Line 8

Multiply line 7 by 15% (.15) and enter the result on this line.

Line 9

Enter the tax from Form 1040, line 40. (If this amount is zero, you cannot take the credit; do not file Schedule RP.)

Line 10

Enter the amount from line 8 or 9, whichever is less. This is your Credit for the Elderly. Enter the same amount on Form 1040, line 41.

SCHEDULE SE
(Form 1040)
Department of the Treasury
Internal Revenue Service (X)

Computation of Social Security Self-Employment Tax

▶ See Instructions for Schedule SE (Form 1040).
▶ Attach to Form 1040.

OMB No. 1545-0074
1982
22

Name of self-employed person (as shown on social security card)	Social security number of self-employed person ▶

Part I Regular Computation of Net Earnings from Self-Employment

1 Net profit or (loss) from Schedule F (Form 1040), line 57 or line 90, and farm partnerships, Schedule K–1 (Form 1065), line 18b	1		
2 Net profit or (loss) from Schedule C (Form 1040), line 32, and Schedule K–1 (Form 1065), line 18b (other than farming). See instructions for kinds of income to report. **Note:** If you are exempt from self-employment tax on your earnings as a minister, member of a religious order, or Christian Science practitioner because you filed Form 4361, check here ▶ ☐. If you have other earnings of $400 or more that are subject to self-employment tax, include those earnings on this line	2		

Part II Optional Computation of Net Earnings from Self-Employment

Generally, this part may be used only if:

- Your gross farm profits were not more than $2,400, or
- Your gross farm profits were more than $2,400 and your net farm profits were less than $1,600, or
- Your net nonfarm profits were less than $1,600 and less than two-thirds (⅔) of your gross nonfarm income.

See instructions for other limitations.

3 Maximum income for optional methods	3	$1,600	00
4 Farm Optional Method—Enter two-thirds (⅔) of gross profits from Schedule F (Form 1040), line 31 or line 88, and farm partnerships, Schedule K–1 (Form 1065), line 18a, or $1,600, whichever is smaller	4		
5 Subtract line 4 from line 3	5		
6 Nonfarm Optional Method—Enter the smaller of two-thirds (⅔) of gross profits from Schedule C (Form 1040), line 3, and Schedule K–1 (Form 1065), line 18c (other than farming), $1,600, or, if you elected the farm optional method, the amount on line 5	6		

Part III Computation of Social Security Self-Employment Tax

SE

7 Enter the amount from Part I, line 1, or, if you elected the farm optional method, Part II, line 4	7		
8 Enter the amount from Part I, line 2, or, if you elected the nonfarm optional method, Part II, line 6	8		
9 Add lines 7 and 8. If less than $400, you are not subject to self-employment tax. Do not fill in the rest of the schedule	9		
10 The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement tax for 1982 is	10	$32,400	00
11 a Total FICA wages from Forms W–2 and RRTA compensation . . 11a			
b Unreported tips subject to FICA tax from Form 4137, line 9, or to RRTA tax . . 11b			
c Add lines 11a and 11b	11c		
12 Subtract line 11c from line 10	12		
13 Enter the smaller of line 9 or line 12	13		
If line 13 is $32,400, fill in $3,029.40 on line 14. Otherwise, multiply line 13 by .0935 and enter the result on line 14		.0935	
14 Self-employment tax. Enter this amount on Form 1040, line 51	14		

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule W
(Form 1040)
Department of the Treasury
Internal Revenue Service (X)

Deduction for a Married Couple When Both Work

▶ Attach to Form 1040. ▶ For Paperwork Reduction Act Notice, see Form 1040 Instructions.

OMB No. 1545-0074
1982
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Names as shown on Form 1040

Your social security number

Purpose.—Use this schedule to claim a deduction if:

- you are married filing a joint return,
- both you and your spouse have Qualified Earned Income, and
- you do not exclude income earned abroad or in U.S. possessions or claim the foreign housing deduction.

Generally, earned income is income you receive for services you provide such as wages, salaries, tips, and commissions. It also includes income earned from self-employment. It does not include items such as interest, dividends, pensions, annuities, non-taxable income, distributions from an IRA, or deferred compensation.

Caution: *Do not consider community property laws in figuring your earned income.*

Adjustments.—Your earned income must be reduced by certain deductions that apply to it to figure Qualified Earned Income. Enter in the proper column of line 4 below, the amounts from Form 1040:

- line 24—Employee Business Expenses,
- line 25—Payments to an IRA,
- line 26—Payments to a Keogh plan, &
- line 31—Repayment of supplemental unemployment benefits (Sub-pay).

Example.—You earn a salary of $20,000 and have $6,000 of employee business expenses on line 24 of Form 1040. Your spouse earns $17,000 and puts $2,000 into an IRA (line 25 of Form 1040). Your Qualified Earned Income is $14,000 and your spouse's is $15,000. Therefore, on your joint return you can take a deduction of $700 (.05 × $14,000).

		(a) You	(b) Your spouse
1 Wages, salaries, tips, etc., from line 7 of Form 1040. (Do not include any amount your spouse pays you.)	1		
2 Net profit or (loss) from self-employment (from Schedule C or F (Form 1040), Form 1065 (Schedule K–1), and any other taxable self-employment income) .	2		
3 Combine lines 1 and 2. This is your total earned income	3		
4 Adjustments from Form 1040, lines 24, 25, 26, and any repayment of Sub-pay written in on line 31 (see instructions above)	4		
5 Subtract line 4 from line 3. This is your Qualified Earned Income	5		
6 Write in the amount from line 5(a) or 5(b), whichever is smaller, BUT DO NOT WRITE MORE THAN $30,000		6	
7 Multiply line 6 by 5% (.05)		7	×.05
8 Write in the answer here and on Form 1040, line 29		8	

------------------- Keep One Copy for Your Records ------------------- Cut Along This Line ------------------- Keep One Copy for Your Records -------------------

Schedule W
(Form 1040)
Department of the Treasury
Internal Revenue Service (X)

Deduction for a Married Couple When Both Work

▶ Attach to Form 1040. ▶ For Paperwork Reduction Act Notice, see Form 1040 Instructions.

OMB No. 1545-0074
1982
37

Names as shown on Form 1040

Your social security number

Purpose.—Use this schedule to claim a deduction if:

- you are married filing a joint return,
- both you and your spouse have Qualified Earned Income, and
- you do not exclude income earned abroad or in U.S. possessions or claim the foreign housing deduction.

Generally, earned income is income you receive for services you provide such as wages, salaries, tips, and commissions. It also includes income earned from self-employment. It does not include items such as interest, dividends, pensions, annuities, non-taxable income, distributions from an IRA, or deferred compensation.

Caution: *Do not consider community property laws in figuring your earned income.*

Adjustments.—Your earned income must be reduced by certain deductions that apply to it to figure Qualified Earned Income. Enter in the proper column of line 4 below, the amounts from Form 1040:

- line 24—Employee Business Expenses,
- line 25—Payments to an IRA,
- line 26—Payments to a Keogh plan, &
- line 31—Repayment of supplemental unemployment benefits (Sub-pay).

Example.—You earn a salary of $20,000 and have $6,000 of employee business expenses on line 24 of Form 1040. Your spouse earns $17,000 and puts $2,000 into an IRA (line 25 of Form 1040). Your Qualified Earned Income is $14,000 and your spouse's is $15,000. Therefore, on your joint return you can take a deduction of $700 (.05 × $14,000).

		(a) You	(b) Your spouse
1 Wages, salaries, tips, etc., from line 7 of Form 1040. (Do not include any amount your spouse pays you.)	1		
2 Net profit or (loss) from self-employment (from Schedule C or F (Form 1040), Form 1065 (Schedule K–1), and any other taxable self-employment income) .	2		
3 Combine lines 1 and 2. This is your total earned income	3		
4 Adjustments from Form 1040, lines 24, 25, 26, and any repayment of Sub-pay written in on line 31 (see instructions above)	4		
5 Subtract line 4 from line 3. This is your Qualified Earned Income	5		
6 Write in the amount from line 5(a) or 5(b), whichever is smaller, BUT DO NOT WRITE MORE THAN $30,000		6	
7 Multiply line 6 by 5% (.05)		7	×.05
8 Write in the answer here and on Form 1040, line 29		8	

1982 Department of the Treasury — Internal Revenue Service

Form 1040A US Individual Income Tax Return

OMB No. 1545-0085

Step 1 Name and address

Use the IRS mailing label. Otherwise, print or type.

Your first name and initial (if joint return, also give spouse's name and initial) ______ Last name ______ Your social security no. ______

Present home address ______ Spouse's social security no. ______

City, town or post office, State, and ZIP code ______ Your occupation ______

Spouse's occupation ______

Presidential Election Campaign Fund

Do you want $1 to go to this fund? ☐ Yes ☐ No

If joint return, does your spouse want $1 to go to this fund? ☐ Yes ☐ No

Step 2 Filing status and Exemptions

(Check only one)

1 ☐ Single (See if you can use Form 1040EZ.)

2 ☐ Married filing joint return (even if only one had income)

3 ☐ Married filing separate return. Enter spouse's social security no. above and full name here. ______

4 ☐ Head of household (with qualifying person). If the qualifying person is your unmarried child but not your dependent, write this child's name here. ______

Always check the exemption box labeled Yourself. Check other boxes if they apply.

5a ☐ Yourself ☐ 65 or over ☐ Blind

b ☐ Spouse ☐ 65 or over ☐ Blind

Write number of boxes checked on 5a and b ☐

c First names of your dependent children who lived with you ______

Write number of children listed on 5c ☐

d Other dependents: (1) Name	(2) Relationship	(3) Number of months lived in your home.	(4) Did dependent have income of $1,000 or more?	(5) Did you provide more than one-half of dependent's support?

Write number of other dependents listed on 5d ☐

Attach Copy B of Forms W-2 here

e Total number of exemptions claimed ......

Add numbers entered in boxes above ☐

Step 3 Adjusted gross income

6 Wages, salaries, tips, etc. *(Attach Forms W-2)* 6

7 Interest income *(Complete page 2 if over $400 or you have any All-Savers interest)* 7

8a Dividends ______ (Complete page 2 if over $400) 8b Exclusion ______ Subtract line 8b from 8a 8c

9a Unemployment compensation (insurance). Total from Form(s) 1099-UC ______

b Taxable amount, if any, from worksheet on page 16 of Instructions 9b

10 Add lines 6, 7, 8c, and 9b. This is your total income...... 10

11 Deduction for a married couple when both work. Complete the worksheet on page 17...... 11

12 Subtract line 11 from line 10. This is your adjusted gross income...... 12

Step 4 Taxable income

13 Allowable part of your charitable contributions. Complete the worksheet on page 18...... 13

14 Subtract line 13 from line 12...... 14

15 Multiply $1,000 by the total number of exemptions claimed in box 5e...... 15

16 Subtract line 15 from line 14. This is your taxable income...... 16

Step 5 Tax, credits, and payments

17a Partial credit for political contributions. See page 19...... ■ 17a

b Total Federal income tax withheld, from W-2 form(s). *(If line 6 is more than $32,400, see page 19.)* 17b

Stop Here and Sign Below If You Want IRS to Figure Your Tax

Attach check or money order here

c Earned income credit, from worksheet on page 21...... 17c

18 Add lines 17a, b, and c. These are your total credits and payments...... 18

19a Find tax on amount on line 16. Use tax table, pages 26-31...... 19a

b Advance EIC payment *(from W-2 form(s))*...... 19b

20 Add lines 19a and 19b. This is your total tax...... 20

Step 6 Refund or amount you owe

21 If line 18 is larger than line 20, subtract line 20 from line 18. Enter the amount to be **refunded to you**...... 21

22 If line 20 is larger than line 18, subtract line 18 from line 20. Enter the **amount you owe.** Attach payment for full amount payable to "Internal Revenue Service."...... 22

Step 7 Sign your return

I have read this return and any attachments filed with it. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return and attachments are correct and complete.

▶ Your signature ______ Date ______ ▶ Spouse's signature (If filing jointly, BOTH must sign) ______

Paid preparer's signature ______ Date ______ Check if self-employed ☐ Preparer's social security no. ______

Firm's name (or yours, if self-employed) ______ E.I. no. ______

Address and Zip code ______

For **Privacy Act and Paperwork Reduction Act Notice,** see page 34.

Caution: You may **NOT** file Form 1040A (you must file Form 1040 instead) if any of the following apply to you:

- You could be claimed as a dependent on your parent's return AND had interest, dividends, or other unearned income of $1,000 or more.
- You had a foreign financial account or were a grantor of, or transferor to, a foreign trust.
- You received interest or dividends as a nominee (in your name) for someone else.
- You received or paid accrued interest on securities transferred between interest payment dates.
- You received capital gain distributions or nontaxable distributions.
- You are choosing to exclude qualified reinvested dividends from a qualified public utility.

Note: You may also be required to file Form 1040 for other reasons. See pages 4 through 6 of instructions.

Part I Interest income

You must complete this part if you received over $400 in interest income, OR you received any interest from an All-Savers Certificate (ASC). Use lines 1 and 2 to report interest income other than ASC interest. Use lines 3 through 6 to report ASC interest. Use line 7 to add the totals from lines 2 and 6.

Interest income from sources other than All-Savers Certificates. (See page 14)

1 List names of payers	Amount
	$.
	$.
	$.
	$.
	$.
	$.
	$.
	$.

2 Add amounts on line 1. This is your total interest from other than ASCs. 2 .

Interest income from All-Savers Certificates. (See page 14)

3 List names of payers	Amount
	$.
	$.
	$.

4 Add amounts on line 3. 4 .

5 Write the amount of your ASC exclusion from the worksheet on page 14 of the instructions. 5 .

6 Subtract line 5 from line 4. This is your taxable ASC interest. 6 .

7 Add lines 2 and 6 and write your answer here. This is your total taxable interest. Also write this amount on line 7 of Form 1040A. 7 .

Part II Dividend income

You must complete this part if you received over $400 in ordinary dividends. See page 15 for information on the dividend exclusion.

8 List names of payers	Amount
	$.
	$.
	$.
	$.
	$.
	$.

9 Add amounts on line 8. Write your answer here and on line 8a of Form 1040A. 9 .

Department of the Treasury—Internal Revenue Service

1982 **Form 1040EZ Income Tax Return for Single filers with no dependents** (0)

OMB No. 1545-0675

Instructions are on the back of this form.
Tax Table is in the 1040EZ and 1040A Tax Package.

Name and address

Use the IRS mailing label. If you don't have a label, print or type:

Name (first, initial, last) Social security number

Present home address

City, town or post office, State, and ZIP code

Presidential Election Campaign Fund
Check this box ☐ if you want $1 of your tax to go to this fund.

Figure your tax

Attach Copy B of Forms W-2 here

1 Wages, salaries, and tips. Attach your W-2 form(s). 1 .

2 Interest income of $400 or less. If more than $400, you cannot use Form 1040EZ. 2 .

3 Add line 1 and line 2. This is your **adjusted gross income.** 3 .

4 Allowable part of your charitable contributions. Complete the worksheet on page 18. Do not write more than $25. 4 .

5 Subtract line 4 from line 3. 5 .

6 Amount of your personal exemption. 6 1,000.00

7 Subtract line 6 from line 5. This is your **taxable income.** 7 .

8 Enter your Federal income tax withheld. This is shown on your W-2 form(s). 8 .

9 Use the tax table on pages 26-31 to find the tax on your taxable income on line 7. 9 .

Refund or amount you owe

10 If line 8 is larger than line 9, subtract line 9 from line 8. Enter the amount of your refund. 10 .

Attach tax payment here

11 If line 9 is larger than line 8, subtract line 8 from line 9. Enter the amount you owe. Attach check or money order for the full amount payable to "Internal Revenue Service." 11 .

Sign your return

I have read this return. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return is correct and complete.

Your signature Date

X

For Privacy Act and Paperwork Reduction Act Notice, see page 34.

1982 Instructions for Form 1040EZ

You can use this form if:	You cannot use this form if:
• Your filing status is single	• Your filing status is other than single
• You do not claim exemptions for being 65 or over, OR for being blind	• You claim exemptions for being 65 or over, OR for being blind
• You do not claim any dependents	• You claim any dependents
• Your taxable income is less than $50,000	• Your taxable income is $50,000 or more
• You had only wages, salaries, and tips and you had interest income of $400 or less	• You had income other than wages and interest income, OR you had interest of over $400 or any interest from an All-Savers Certificate
• You had no dividend income	• You had dividend income

If you can't use this form, you must use Form 1040A or 1040 instead. See pages 4 through 6. If you are uncertain about your filing status, dependents, or exemptions, read the step-by-step instructions for Form 1040A that begin on page 6.

Completing your return

Name and address

Use the mailing label from the back cover of the instruction booklet. Correct any errors right on the label. But don't place the label on your return until you have completed it. If you don't have a label, print or type the information in the spaces provided. If you don't have a social security number, see page 7.

Presidential election campaign fund

This fund was established by Congress to help pay campaign costs of candidates running for President. You may have one of your tax dollars go to this fund by checking the box.

Figure your tax

Line 1. Write on line 1 the total amount you received in wages, salaries, and tips from all employers.

Your employer should have reported your income on a 1982 wage statement, Form W-2. If you don't receive your W-2 form by February 15, contact your local IRS office. Attach W-2 form(s) to your return.

Line 2. Write on line 2 the total interest income you received from all sources, such as banks, savings and loans, credit unions, and other institutions with which you deposit money. You should receive an interest statement (usually Form 1099-INT) from each institution that paid you interest.

You cannot use Form 1040EZ if your total interest income is over $400 or you received interest income from an All-Savers Certificate.

Line 4. You can deduct 25% of what you gave to qualified charitable organizations in 1982. But if you gave $100 or more, you can't deduct more than $25. Complete the worksheet on page 18 to figure your deduction, and write the amount on line 4.

Line 6. Every taxpayer is entitled to one $1,000 personal exemption. If you are also entitled to additional exemptions for being 65 or over, for blindness, for your spouse, or for your dependent children or other dependents, you cannot use this form. You must use Form 1040A or Form 1040.

Line 8. Write the amount of Federal income tax withheld, as shown on your 1982 W-2 form(s). If you had two or more employers and had total wages of over $32,400, see page 19. If you want IRS to figure your tax for you, complete lines 1 through 8, sign, and date your return. If you want to figure your own tax, continue with these instructions.

Line 9. Use the amount on line 7 to find your tax in the tax table on pages 26-31. Be sure to use the column in the tax table for single taxpayers. Write the amount of tax on line 9.

Refund or amount you owe

Line 10. Compare line 8 with line 9. If line 8 is larger than line 9, you are entitled to a refund. Subtract line 9 from line 8, and write the result on line 10.

Line 11. If line 9 is larger than line 8, you owe more tax. Subtract line 8 from line 9, and write the result on line 11. Attach your check or money order for the full amount. Write your social security number and "1982 Form 1040EZ" on your payment.

Sign your return

You must sign and date your return. If you pay someone to prepare your return, that person must also sign it below the space for your signature and supply the other information required by IRS. See page 22.

Mailing your return

Your return is due by April 15, 1983. Use the addressed envelope that came with the instruction booklet. If you don't have an addressed envelope, see page 25 for the correct address.

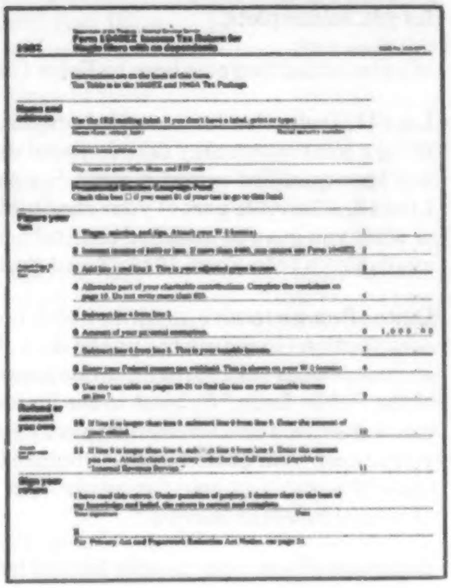
1982

Instructions for preparing Forms 1040EZ & 1040A

Department of the Treasury/Internal Revenue Service

Are you single? See if you can use the new Form 1040EZ

This year there is a new Form 1040EZ. If you are single, you may be able to use this simpler form.



You can use Form 1040EZ for:

Single filing status only

Your own personal exemption only

No dependents

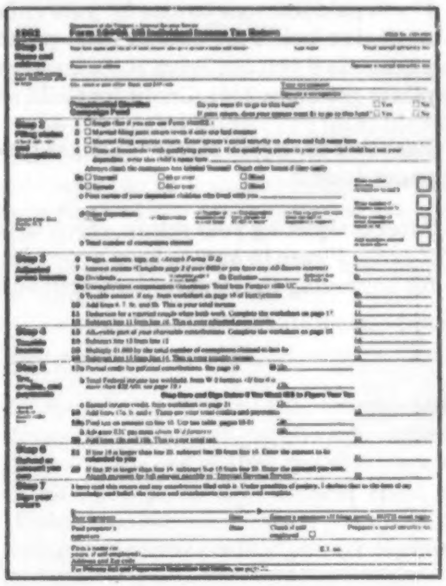
Income from:
- Wages, salaries, tips
- Interest income ($400 or less)
- No dividend income
- Less than $50,000 in taxable income

Partial charitable contributions deduction

No tax credits

Form 1040A

If you can't use Form 1040EZ, Form 1040A may be right for you.



You can use Form 1040A for:

Any of four filing statuses

All exemptions you are entitled to

All qualified dependents

Income from:
- Wages, salaries, tips
- Interest and dividends
- Unemployment compensation
- Less than $50,000 in taxable income

Partial charitable contributions deduction

Deduction for a married couple when both work

Partial credit for political contributions

Earned income credit

From the Commissioner

Two different short tax forms for 1982

This year there are two different short tax forms in your tax package: **Form 1040EZ** and **Form 1040A**. You may be able to file the new Form 1040EZ if you are single and have only wages, salaries, and tips, and $400 or less of interest income. Read pages 4 and 5 to see which form you should use this year.

If you use Form 1040A, you will find that most of the items are the same this year as they were last year; however, we redesigned the form to make it easier for you to complete.

We also added two new lines to Form 1040A because of changes in the law:

Tax law changes for 1982

- **Line 11, Deduction for a married couple when both work**—a married couple filing a joint return may take a special deduction if both husband and wife work and have qualified earned income. See page 17.
- **Line 13, Allowable part of your charitable contributions**—you can deduct a part of what you gave to qualified charitable organizations. This deduction is available on both Form 1040EZ and Form 1040A. See page 18.

Important reminders

Quite often we receive inquiries about how people may make voluntary contributions to reduce the public debt. If you should wish to contribute, just enclose in your tax return envelope a **separate** check made payable to "Bureau of the Public Debt." Subject to the limitations on charitable contributions, you can deduct this contribution on next year's tax return. But please let me remind you to keep your contribution to reduce the public debt **separate** from any amount payable on your tax return. Tax remittances should be made payable to "Internal Revenue Service."

Be sure to report your taxable income from all sources. In fairness to the vast majority of taxpayers who report all their income, we make every effort to identify others who underreport.

Tax Tip

Even if you can otherwise use Form 1040EZ or Form 1040A, it may benefit you to use Form 1040 if certain tax situations apply to you. Here is one example: If you paid someone to care for your child or disabled dependent while you worked or looked for work in 1982, you may be able to take a credit for these payments if you use Form 1040. To see whether you can qualify for the credit, please get **Form 2441**, Credit for Child and Dependent Care Expenses.

For other examples of when it might benefit you to use Form 1040, please read pages 4 and 5.

After completing your return, check to make sure it is correct, sign it, and mail it early. Please be sure to keep a copy for your records. If you have suggestions for improving the forms or instructions, please write and let us know.

Sincerely,

Commissioner of Internal Revenue

ow to use this nstruction booklet

This instruction booklet is divided into three sections. **Section 1** contains information about who must file a return and how to choose the correct form to use: Form 1040EZ, Form 1040A, or Form 1040. **Section 2** contains step-by-step instructions for Form 1040A. **Section 3** contains important reminders and information about some special programs to help taxpayers.

ection 1— iling information

irst, be sure you need to file a ax return

Your marital status, filing status, age, and gross income determine whether you have to file a tax return. Gross income usually means money, goods, and property you received that you must pay tax on. It does not include nontaxable benefits, such as social security benefits.

Use the following chart to see **whether you must file a tax return.**

ou must file a tax return if— our marital status at he end of 1982 was:	**and your filing status is:**	**and at the end of 1982 your age was:**	**and your gross income was at least:**
ingle (including divorced and egally separated)	Single or Head of household	under 65 65 or over	$3,300 $4,300
Iarried with a dependent hild and living apart from our spouse all year	Single or Head of household	under 65 65 or over	$3,300 $4,300
Married and living with our spouse at end of 982 (or on the date your pouse died)	Married, joint return	under 65 (both spouses) 65 or over (one spouse) 65 or over (both spouses)	$5,400 $6,400 $7,400
	Married, separate return	any age	$1,000
Married, not living with pouse at end of 1982	Married, joint return	any age	$1,000
	Married, separate return	any age	$1,000
Widowed in 1981 or 1980 and not remarried in 1982	Single or Head of household	under 65 65 or over	$3,300 $4,300
	Qualifying widow(er) with dependent child	under 65 65 or over	$4,400 $5,400
Widowed before 1980 and not remarried in 1982	Single or Head of household	under 65 65 or over	$3,300 $4,300

Other filing requirements—

You must also file a tax return if **any one** of the following applied for 1982:

either you could be claimed as a dependent on your parents' return and you had $1,000 or more in gross income that was not earned income—for example, taxable interest and dividends. (You must file Form 1040. See page 5.)

or you owe any special taxes, such as social security (FICA) tax on tips you did not report to your employer. (You must file Form 1040.)

or you received any advance earned income credit (EIC) payments from your employer.

or you earned $400 or more from self-employment after you deduct business expenses. (You must file Form 1040.)

or you were allowed to exclude income from sources within U.S. possessions and had gross income of $1,000 or more. (You must file Form 1040.)

These rules apply to all U.S. citizens and resident aliens. They also apply to those nonresident aliens who are married to citizens or residents of the United States at the end of 1982 and who file a joint return.

Note: *Even if you do not have to file a return, you should file one to get any refund of Federal income tax withheld from your pay. You should also file to get a refund of earned income credit if you are eligible to take the credit.*

Second, be sure you use the tax form that is right for you

There are three tax forms for individuals—the new short Form 1040EZ for certain single taxpayers, Form 1040A, and the standard Form 1040. All taxpayers can use Form 1040 if they want to, but you will probably save time if you are able to use one of the short forms instead.

Form 1040EZ for single filers: new this year

Form 1040EZ can be used only by *single* filers who—

- claim only one personal exemption, and
- claim no dependents, and
- have income only from wages, salaries, and tips, and have interest income of $400 or less, and
- have no dividend income, and
- have taxable income of less than $50,000.

If you use Form 1040EZ, the instructions on the back of the form are the only ones you will need for completing most of the items. However, you will have to use the 1040A tax table on pages 26-31 to complete line 9 of Form 1040EZ. And if you take the new partial charitable contributions deduction, you will have to use the worksheet on page 18.

There are other parts of the 1040A instructions that might also apply to some 1040EZ filers. For example, if you had excess social security taxes withheld from your wages, you should read page 19.

Even if you can file Form 1040EZ, you should read the following chart to see if it would benefit you to file Form 1040A or 1040 instead of Form 1040EZ.

New Form 1040EZ, Form 1040A, or Form 1040?

The following chart shows the kinds of filing statuses, exemptions, income, deductions, taxes, and credits that can be shown on Forms 1040EZ, 1040A, and 1040. Use it as a guide to determine which form to use. To determine which filing status you can claim and number of exemptions you can take, see page 7.

New Form 1040EZ	Form 1040A	Form 1040	
Filing status: Single only	**Filing status:** Single, married filing joint, married filing separate, or head of household	**Filing status:** Single, married filing joint, married filing separate, head of household, or qualifying widow(er) with dependent child	
Number of exemptions: Only one personal exemption for yourself	**Number of exemptions:** All exemptions that you are entitled to claim	**Number of exemptions:** All exemptions that you are entitled to claim	
Only taxable income of less than $50,000	**Only taxable income of less than $50,000**	**All amounts of taxable income**	
Only income from: Wages, salaries, tips Interest of $400 or less	**Only income from:** Wages, salaries, tips Interest Dividends Unemployment compensation	**All sources of income:** Wages, salaries, tips Interest and dividends Unemployment compensation Self-employment (including farming) (Schedules C or F) Rents and royalties (Schedule E) Pensions and annuities	State and local income tax refunds Capital gains (Schedule D) Gain from the sale of your home (Form 2119) Alimony received All other sources
No itemized deductions You may deduct a part of some amounts you gave to charitable organizations (see page 18)	**No itemized deductions** You may deduct a part of some amounts you gave to charitable organizations (see page 18)	**All itemized deductions** (Use Schedule A): State and local income taxes Real estate taxes Sales taxes Interest expenses Charitable contributions	Medical and dental expenses Casualty and theft losses Miscellaneous deductions

New Form 1040EZ	Form 1040A	Form 1040	(continued)
No adjustments to income	**Only the adjustment to income for:** The deduction for a married couple when both work (see page 17)	**All adjustments to income:** Alimony paid Penalty for early withdrawal of savings Payments to an IRA or Keogh Plan Moving expenses (Form 3903 or Form 3903F)	Employee business expenses (Form 2106) Disability income exclusion (Form 2440) Deduction for a married couple when both work (Schedule W) Other adjustments
No other taxes	**Other taxes:** Advance EIC payments	**Other taxes:** Advance EIC payments Self-employment tax (Schedule SE) Tax on an individual retirement arrangement (Form 5329) Minimum tax (Form 4625) Alternative minimum tax (Form 6251)	Social security tax (FICA) on tips not reported to your employer (Form 4137) Uncollected social security (FICA) tax on tips shown on your Form W-2 All other income taxes
No tax credits	**Only tax credits for:** Partial political contributions credit Earned income credit	**All tax credits:** Partial political contributions credit Earned income credit Child and dependent care credit (Form 2441) Investment credit (Form 3468)	Foreign tax credit (Form 1116) Jobs credit (Form 5884) Residential energy credit (Form 5695) Credit for the elderly (Schedules R & RP) All other credits

Can you itemize deductions?

Many people choose to file Form 1040 so they can itemize deductions. Itemizing often benefits you when you have large deductions, such as real estate taxes, mortgage interest, or medical expenses.

It would generally benefit you to itemize deductions if—

Your filing status is:	And your itemized deductions are:
• Single or Head of household	• More than $2,300
• Married filing joint or Qualifying widow(er) with dependent child	• More than $3,400
• Married filing separate	• More than $1,700

Taxpayers who must use Form 1040

If you have not already done so, please read the chart on page 4 and this page to see which form you can use. You may have to use Form 1040 because of the filing status you choose, kinds of income or taxes you report, or types of deductions and credits you claim. Even if you are otherwise eligible to use Form 1040EZ or 1040A, you MUST use Form 1040 instead if any one of the following special situations applies to you.

You MUST use Form 1040 if:

1. You received any of the following types of income:
   - $1,000 or more of unearned income (for example, interest or dividends) and you can be claimed as a dependent on your parents' return.
   - Capital gain distributions or nontaxable distributions.
   - Bartering income (fair market value of goods or services you received in return for your goods or services).
   - Gain from the sale or exchange (including barter) of coins, gold, silver, gems, etc.
   - Interest or dividend income received as a nominee (that is, in your name) for someone else.
   - Interest on securities transferred between interest payment dates. (You must also use Form 1040 if you paid, rather than received, the interest.)

Taxpayers who must use Form 1040 (continued)

2. **Any one** of the following marital and filing status situations applies to you:
   - You are married filing a separate return and your spouse itemizes. *(Note: You may be able to file Form 1040A if you had a dependent child living with you in 1982 and you lived apart from your spouse all year. See page 8.)*
   - You were a nonresident alien during any part of 1982 and you do not file a joint return. (***Note:** You may have to file **Form 1040NR.***)
   - At the end of 1982 you were married to a nonresident alien or dual-status alien who had U.S. source income and you do not file a joint return. (***Note:** You can use Form 1040A if you are considered single under the rules explained on page 8 for **Married persons who live apart.***)

Tax Tip: If your taxable income this year is substantially larger than your average taxable income for the past four years, it may benefit you to "income average." But you must use Form 1040 to do so. Get Schedule G, Income Averaging, for details.

3. You can exclude or deduct **any** of the following sources of income:
   - Qualified reinvested dividends from a qualified public utility. (***Note:** You must also file **Schedule B** to take the exclusion.*)
   - Foreign earned income you received as a U.S. citizen or nonresident alien. (***Note:** You must also file **Form 2555.***)
   - Certain income received from sources in a U.S. possession. (***Note:** You must also file **Form 4563.***)
4. You made estimated tax payments in 1982 (or want to apply any part of your refund to your 1983 estimated tax). (***Note:** If you underpaid your tax, you may have to pay a penalty. See page 22.*)
5. You applied for an extension of time to file your tax return. (***Note:** You must use **Form 4868** to apply for an extension.*)
6. You were a grantor of, or transferor to, a foreign trust that existed in 1982, OR you had an interest in, or authority over, a foreign bank account, securities account, or other foreign financial account. (***Note:** You must also file **Schedule B.***)

Third, prepare and mail your tax return

After you have determined which form you can use (Form 1040EZ or Form 1040A), file only one of these forms as your return. Be sure to keep a copy of your return for your files.

Instructions for Form 1040EZ are on the back of the form. Instructions for completing Form 1040A begin below.

Mail your return in the enclosed envelope. If you don't have one, mail the return to the Service Center for your state. See the list on page 25.

File as soon as you can after January 1, 1983, but not later than **April 15, 1983.** If you file late, you may have to pay penalties and interest. See page 23 for details.

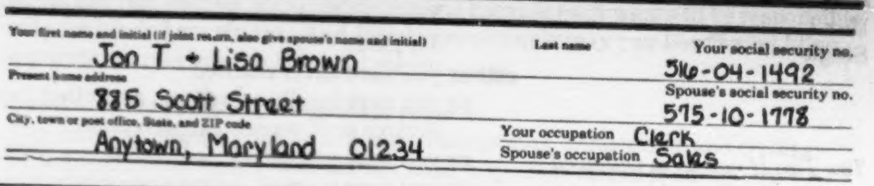
Section 2—
Step-by-step instructions for Form 1040A

Use these instructions when you prepare your return on Form 1040A. They correspond to the steps and the entry lines on the form. They also refer you to IRS publications that you might find helpful.

Form 1040A and these instructions are separated into seven main steps. At the beginning of each step is a filled-in example of the appropriate section of Form 1040A. You might find it helpful to refer to the examples as you complete your return.

The examples show a Form 1040A filled in for Jon and Lisa Brown of Anytown, Maryland. The Browns are filing a joint return for 1982 and have one son, whom they claim as a dependent. Both Jon and Lisa worked in 1982, and they also had income from interest and dividends. Jon, who was unemployed for part of 1982, received unemployment compensation. They contributed to two charities.

Step 1
Name, address, and social security number



Your first name and initial (if joint return, also give spouse's name and initial) Jon T + Lisa Brown
Last name
Your social security no. 316-04-1492
Present home address 885 Scott Street
Spouse's social security no. 575-10-1778
City, town or post office, State, and ZIP code Anytown, Maryland 01234
Your occupation Clerk
Spouse's occupation Sales

Please use the mailing label we sent you, but don't attach it until you have completed your return. Mark through and correct any errors on it. Use of the label saves processing time and speeds refunds. If you don't have a label, print or type the information in the spaces provided.
Note: Be sure to show your occupation in the space provided.

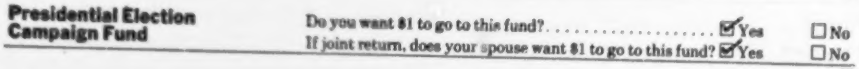
Tax Tip: If you changed your name because of marriage, divorce, etc., be sure the Social Security Administration (SSA) has the same name in its records that you have on your tax return. This prevents delays in processing your return.

On a joint return, if you and your spouse use different last names, separate them with "and"—for example, "Jon Brown and Lisa Smith."

Also write your own social security number and, if you are married, your spouse's number. On a joint return, be sure the numbers are in the same order as your first names. If you don't have a social security number, get **Form SS-5** from your local SSA office and file it with them. If you don't receive a number by the time your return is due, write "applied for" in the space for your social security number.

If your spouse is a nonresident alien, has no income, and does not have a social security number, write "NRA" in the space for your spouse's social security number.

Presidential Election Campaign Fund

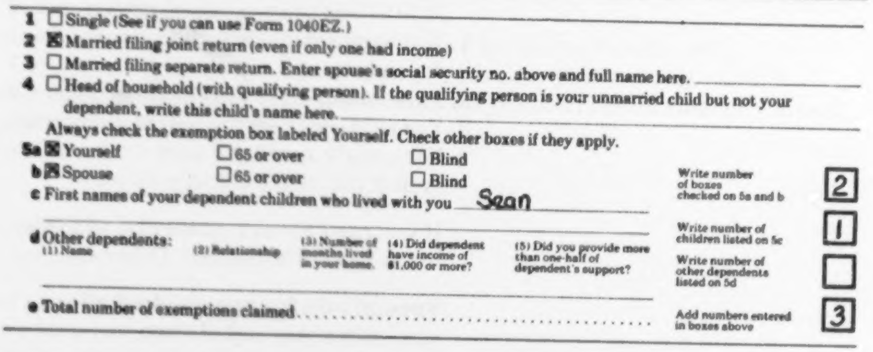


Presidential Election Campaign Fund
Do you want $1 to go to this fund? . . . . ☑ Yes ☐ No
If joint return, does your spouse want $1 to go to this fund? ☑ Yes ☐ No

Congress established this fund to support public financing of Presidential election campaigns. You may have $1 go to the fund by checking the YES box. On a joint return, each of you may choose whether to have $1 go to the fund.

Checking YES does not change the tax or refund shown on your return. This is NOT a political contribution, so you cannot claim this amount as a partial credit for political contributions on line 17a.

Step 2
Check your filing status and figure your exemptions



1 ☐ Single (See if you can use Form 1040EZ.)
2 ☒ Married filing joint return (even if only one had income)
3 ☐ Married filing separate return. Enter spouse's social security no. above and full name here.
4 ☐ Head of household (with qualifying person). If the qualifying person is your unmarried child but not your dependent, write this child's name here.
Always check the exemption box labeled Yourself. Check other boxes if they apply.
5a ☒ Yourself ☐ 65 or over ☐ Blind
b ☒ Spouse ☐ 65 or over ☐ Blind
Write number of boxes checked on 5a and b 2
c First names of your dependent children who lived with you Sean
Write number of children listed on 5c 1
d Other dependents: (1) Name (2) Relationship (3) Number of months lived in your home. (4) Did dependent have income of $1,000 or more? (5) Did you provide more than one-half of dependent's support?
Write number of other dependents listed on 5d
e Total number of exemptions claimed . . . .
Add numbers entered in boxes above 3

Boxes 1 through 4—Filing status

Check only the filing status box that applies to you. In general, your filing status depends on whether you are considered single or married.

There is a different tax rate for each filing status. The lowest rate is ***married filing a joint return*** followed by ***head of household***. The next highest tax rate is ***single***. The highest tax rate is ***married filing a separate return***. If more than one filing status applies to you, choose the filing status with the lowest tax rate.

READEX FICHE

Box 1
Single

You can check this box if **any one** of the following applies as of December 31, 1982:

either you were never married,
or you were legally separated, according to your State law, under a decree of divorce or of separate maintenance,
or you were widowed before January 1, 1982, and did not remarry in 1982,
or you were married, living apart from your spouse, and you meet **all five** tests described below.

Tax Tip: If you were widowed in 1980 or 1981 and have a dependent child, see the special rule below for widowed taxpayers. You might be able to use joint tax rates to lower your tax.

Married persons who live apart. Even if you were not divorced or legally separated in 1982, you might be able to be considered single and use tax rates that are lower than those for married persons filing separate returns. This means that you may be able to claim the earned income credit. It also means that if your spouse itemizes deductions, you do not have to. If you and your spouse each meet the tests, each of you can file this way.

You are **considered single** if **all five** of the following apply:

1. You file a separate return, and
2. You lived apart from your spouse all of 1982, and
3. You provided over half the cost of keeping up your home for 1982, and
4. Your home was the principal home of your child or stepchild for more than 6 months of 1982, and
5. You claim this child or stepchild as your dependent.

***Note:** If you meet all five tests shown above and, in addition, your dependent child lived in your home ALL year, you can file as head of household instead of single. (See page 9.)*

Box 2
Married filing a joint return

Married couples will usually pay less tax if they file a joint return instead of separate returns. A husband and wife may file a joint return even if only one had income or they do not live together all year; however, both must agree to file jointly, and both must sign the return. On a joint return, each is responsible for the return. You may file a joint return if **any** one of the following applies:

either you were married as of December 31, 1982, even if you did not live together at the end of 1982,
or your spouse died in 1982 and you did not remarry in 1982.

Tax Tip: If both you and your spouse worked this year and received "qualified earned income," you can take a special deduction. See page 17 for more details.

Special rule for widowed taxpayers who have a dependent child. If your spouse died in 1980 or 1981 and you did not remarry in 1982, you may be able to file as a **qualifying widow(er) with dependent child** and use joint return tax rates to lower your tax. But you will have to use **Form 1040** instead of **Form 1040A**. You can use this filing status if **all four** of the following apply:

1. You have a child (including stepchild or foster child) whom you claim as a dependent, and
2. This child lived in your home for all of 1982 (except for temporary absences), and
3. You paid over half the cost of maintaining your home for this child, and
4. You could have filed a joint return with your spouse the year he or she died, even if you didn't actually do so.

If you can't file as a qualifying widow(er) with dependent child, see if you can file as head of household. Otherwise, you must file as single.

Special rule for nonresident aliens. You may file a joint return with your spouse if, at the end of 1982, you were a nonresident alien and married to a citizen or resident of the United States. You and your spouse must also agree to be taxed on your combined worldwide income. For more details, please get **Publication 519**, U.S. Tax Guide for Aliens.

Box 3
Married filing a separate return

Some married couples file separate returns because each wants to be responsible only for his or her own tax. And sometimes a couple may pay less tax by filing separate returns instead of a joint return.

Tax Tip: If you were married in 1982 but lived apart from your spouse all year, read the special rule on page 8 under the single filing status to see if you can be considered "single."

Special rules for filing a separate return

1. You each report only your own income, exemptions, deductions, and credits.
2. Both of you must figure your tax the same way. This means if one of you itemizes deductions, the other must do so as well. In that case, both of you must use Form 1040 instead of Form 1040A.
3. Each of you must enter the other's name and social security number in the spaces provided on the form.

Box 4
Head of household

This filing status is for unmarried individuals who provide a home for certain other persons.

You may file as head of household if:

- You were unmarried as of December 31, 1982 (this includes some married couples who lived apart all year or who were legally separated), and
- You provided over half the cost of keeping up a home that was the principal home all year for **any one** of the following relatives:

1. Your **unmarried child** or **grandchild** who lived with you in your home all year (except for temporary absences, such as for school). This child does not have to be your dependent. *Note: You must write this child's name in the space provided on line 4 if the child is not your dependent.*
2. Your **married child** or **grandchild** whom you can claim as a dependent. This child had to live with you in your home all year (except for temporary absences, such as for school).
3. Your **parent** whom you can claim as a dependent. Your parent did not have to live in your home in 1982.
4. Any **other relative** whom you can claim as a dependent. This relative must have lived with you in your home all year. For the definition of "relative," see page 11.

Your "child" includes the following:

- Your son, daughter, stepchild, adopted child;
- A child who lived in your home as a family member, if placed with you by an authorized placement agency for legal adoption; and
- A foster child (any child who lived in your home as a family member for the whole year).

*Tax Tip: If you were married in 1982 but lived apart from your spouse all year, see page 8 for the special rule for **Married persons who live apart.** If you meet **all** the tests under this special rule, you may be able to file as head of household.*

Special rules:

- You do not qualify as head of household if your relative in 2, 3, or 4 above is your dependent under the rules for **Dependent supported by two or more taxpayers** (explained on page 12).
- If you receive payments under the program for Aid to Families with Dependent Children (AFDC), and you use them to pay part of the cost of keeping up your home, you cannot count the payments as an amount you paid for keeping up your home.

Lines 5a through 5e
Exemptions

An exemption is a tax benefit. For each exemption you take—either for yourself, your spouse, or someone you claim as a dependent—you reduce by $1,000 the amount of income on which you must pay tax.

Line 5a
Exemptions for yourself

Please be sure to check the exemption box(es) that apply to you.

If you were:	You can take:
• Under 65 and not blind	• One exemption for yourself
• 65 or over and not blind	• Two exemptions for yourself
• Under 65 and blind	• Two exemptions for yourself
• 65 or over and blind	• Three exemptions for yourself

Age and blindness are determined as of December 31. However, if your 65th birthday was on January 1, 1983, you can take the extra age exemption for 1982.

Blindness. If you were completely blind, attach a statement to your return describing this condition.
If you were partially blind, you can take the blindness exemption if:
either you can't see better than 20/200 in your better eye with eyeglasses or contact lenses,
or your field of vision is 20 degrees or less.

Attach a certified statement from your eye doctor describing this condition. If your eye condition is not likely to improve, you need to attach a statement only once. In later years, just mention that you have already filed a statement.

Line 5b
Exemptions for your spouse

The same rules apply for your spouse's exemptions as for yours. If you are filing a joint return, you can always take the exemptions that apply for your spouse.

If your spouse was:	You can take:
• Under 65 and not blind	• One exemption for your spouse
• 65 or over and not blind	• Two exemptions for your spouse
• Under 65 and blind	• Two exemptions for your spouse
• 65 or over and blind	• Three exemptions for your spouse

If you are filing a separate return, you can take exemptions for your spouse only if he or she—

- is not filing a return, and
- had no taxable income, and
- was not the dependent of another person.

If at the end of 1982, you were divorced or legally separated, you cannot take an exemption for your former spouse. If you were separated by a divorce that is not final (interlocutory decree), you may still take an exemption for your spouse if you file a joint return.

Death of your spouse. If your husband or wife died in 1982, and you did not remarry by the end of 1982, check the boxes for the exemptions you could have taken for your spouse on the date of death. For other filing instructions, see **Death of taxpayer** on page 23.

Lines 5c and 5d
Exemptions for dependent children and other dependents

You can claim an exemption for each of your dependents. Each person you claim as a dependent must have been alive during some part of 1982. This includes a baby born in 1982 or a person who died in 1982.

On line 5c write the name of each dependent child who lived with you.
On line 5d write the name and other information for other dependents, including your dependent children who did not live with you.

Five tests to determine whether you can claim someone as a dependent

There are five tests to determine whether someone is your dependent: the *relationship* test, *married dependent* test, *citizen or resident* test, *income test,* and *support* test.

Each dependent must meet all five of the following tests:

Test 1– Relationship. Your dependent must be
either your relative,
or someone who lived in your home as a member of your household all year; the relationship must not violate local law.

The following are considered your *relatives:*

- Your child. For the definition of "child," see page 9.
- Your grandchild.
- Your son-in-law, daughter-in-law.
- Your parent, grandparent, stepparent, parent-in-law.
- Your brother, sister, stepbrother, stepsister, brother-in-law, sister-in-law.
- If related by blood, your aunt, uncle, nephew, niece.

*Tax Tip: You may be able to take a credit for payments you made for child and disabled dependent care while you (and your spouse if you were married) worked or looked for work. You must file Form 1040 to take this credit. For more details, see **Form 2441**, Credit for Child and Dependent Care Expenses.*

Test 2– Married dependent. Your married dependent cannot file a joint return.
Note: However, if neither the dependent nor the dependent's spouse is required to file, but they file a joint return to get a refund of all tax withheld, you may claim him or her if the other four tests are met.

Test 3– Citizen or resident. The dependent must be
either a U.S. citizen or resident,
or a resident of Canada or Mexico,
or your adopted child who is not a U.S. citizen, but who lived with you all year in a foreign country.

Test 4– Income. Generally, the dependent's gross income must be less than $1,000. Gross income does not include nontaxable benefits such as social security or welfare benefits.

Special rules for your dependent child. Your dependent who is your child does not have to meet this income test if:
either your child was under 19 at the end of 1982,
or your child qualifies as a **student dependent.**

Tax Tip: Your child can take a $1,000 personal exemption on his or her own tax return if he or she files one. This is true even if you can also claim this child as a dependent on your own return.

Your child is a "student dependent" if he or she:

- meets tests 1, 2, and 3 (above), and 5 (on page 12), and
- was enrolled as a full-time student at a school during any 5 months during 1982, or took a full-time, on-farm training course during any 5 months of 1982. (The course had to be given by a school or a State, county, or local government agency.)

School includes elementary, junior and senior high schools; colleges, universities; and technical, trade, and mechanical schools. It does not include on-the-job training courses or correspondence schools.

Exemptions for dependent children and other dependents (continued)

Test 5— Support. The general rule is that you had to provide over half the dependent's support in 1982.

If you file a joint return, support can come from either spouse. For exceptions to the support test, see **Children of divorced or separated parents** and **Dependent supported by two or more taxpayers** on this page.

Support includes food, a place to live, clothing, medical and dental care, and education. Support also includes such items as a car and furniture, but only if they are given to the dependent, or if the dependent buys them, solely for his or her own use or benefit. In figuring support, use the actual cost of these items. However, you should figure the cost of a place to live at its fair rental value.

*Tax Tip: If you care for a foster child, see **Publication 501, Exemptions**, for special rules that apply.*

In figuring total support, you must include money used by the dependent for his or her own support, even if this money was not taxable. Examples are social security and welfare benefits, gifts, and savings.

Support does **not** include such items as income and social security taxes, life insurance premiums, or funeral expenses for your deceased dependent. If your dependent is a student, do not include his or her scholarships.

Tax Tip: To figure the amount of support, a parent who has remarried and has custody may count the support furnished by the new spouse.

Children of divorced or separated parents. When both parents together pay over half of the child's support, the general rule is that the parent who had custody for most of the year can take the child's exemption. But there are exceptions.

Parent who does not have custody. If you do not have custody (or you have custody for the shorter time), you can still claim the exemption for your child or children if:

either you gave at least $600 toward each child's support in 1982 and your divorce decree or separation agreement states that you can claim the child as a dependent,

or you gave at least $1,200 toward each child's support in 1982 and the other parent cannot prove that he or she gave more than you did.

Dependent supported by two or more taxpayers. Even if you did not provide more than half of another person's support, you might still be able to claim the person as a dependent if ALL of the following apply:

1. You and one or more other eligible persons together provided over half of another person's support, and
2. You provided more than 10% of that person's support, and
3. No one alone provided over half of that person's support, and
4. Tests 1, 2, 3, and 4 on page 11 are met, and
5. You attach **Form 2120**, Multiple Support Declaration, to your return. Each eligible person who paid over 10% of support must complete a form and give it to you, so you can attach these forms to your return. The form states that no other taxpayer but you will claim the person as a dependent in 1982.

Step 3 Figuring your adjusted gross income

6	Wages, salaries, tips, etc. *(Attach Forms W-2)*	6	9,080 .00
7	Interest income *(Complete page 2 if over $400 or you have any All-Savers interest)*	7	155 .00
8a	Dividends 240.00 (Complete page 2 if over $400) 8b Exclusion 200.00 Subtract line 8b from 8a	8c	40 .00
9a	Unemployment compensation (insurance). Total from Form(s) 1099-UC 3200.00		
b	Taxable amount, if any, from worksheet on page 16 of Instructions	9b	-0-
10	Add lines 6, 7, 8c, and 9b. This is your total income	10	9,275 .00
11	Deduction for a married couple when both work. Complete the worksheet on page 17	11	95 .00
12	Subtract line 11 from line 10. This is your adjusted gross income	12	9,180 .00

Rounding off to whole dollars. You may find calculations easier if you round off cents to the nearest whole dollar. But if you do round off, do so for all amounts. You can drop amounts that are less than 50 cents. For example, $129.39 becomes $129. Increase amounts that are 50 cents or more to the next whole dollar. For example, $235.67 becomes $236.

Line 6.
Wages, salaries, tips

Write the total of all income you received from wages, salaries, and tips. This is shown on the W-2 form that each employer is required to give you. For a joint return, also be sure to include your spouse's income on line 6.

Be sure to include income from tips, even if the income is not shown on your W-2. If you had any social security tax due on tips you did not report to your employer, you must use Form 1040 to pay this tax.

If you don't have a W-2 form by January 31, ask your employer for one. If you don't get one from your employer by February 15, contact your local IRS office. You must still report your earnings even if you don't get a W-2 from your employer. If you lose your W-2 form or the one that you have is incorrect, ask your employer for a new one.

Special rules for taxpayers in community property states

Married couples living in community property states must follow state law to determine what is community property and what is individual property. Community property states are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington.

Be sure to get **Publication 555,** Community Property and the Federal Income Tax. It explains special rules for couples living in community property states. In general, the special rules for reporting only your own income apply if:

1. You and your spouse lived apart all year, and
2. You do not file a joint return, and
3. You do not transfer community earned income to your spouse before the end of the year, and
4. Your spouse does not transfer community earned income to you before the end of the year.

Line 7.
Interest income

Report on line 7 your total interest income from banks, savings and loan associations, credit unions, savings bonds, tax refunds, seller-financed mortgages, etc. Include any interest that you received or that was credited to your account so you could withdraw it, even if it wasn't entered in your passbook.

You cannot use Form 1040A if any of the following apply (use Form 1040 instead):

- You received interest as a nominee for someone else.
- You received or paid accrued interest on securities transferred between interest payment dates.

Tax Tip: Generally, amounts you received from money market funds are not interest income. Instead, you should report these amounts as dividends.

Each payer will usually send you **Form 1099-INT** or similar statement showing interest you must report. Even if you do not receive a statement, you must report all taxable interest.

For more information on interest income, get **Publication 550,** Investment Income and Expenses.

You must also complete page 2, Part I, of Form 1040A if—
either your total interest on line 7 is over $400,
or you have interest from any All-Savers Certificates (ASCs).

Tax Tip: Generally, taxable interest you receive after June 30, 1983, will be subject to income tax withholding of 10%. However, certain taxpayers can file a certificate to be exempt from this withholding. Get Form W-6 for more details.

If you don't have to complete page 2, skip the rest of the following instructions for line 7, and go on to the instructions for line 8.

In the example on page 12, the Browns reported $155 in taxable interest earned on their deposits in a savings account. Since the amount of interest they received was not more than $400 and was not from an All-Savers Certificate, they did not have to complete page 2, Part I, of their return.

Instructions for page 2, Part I, of Form 1040A

If your total interest is more than $400 or if you have any interest from an ASC, follow the instructions below for page 2, Part I, of Form 1040A. You must report interest you received from ASCs separately from your other interest.

Lines 1 and 2, Interest other than from All-Savers Certificates. Use lines 1 and 2 to report interest other than from ASCs if—

either your interest other than from ASCs is over $400

or your interest other than from ASCs is $400 or less but you also have ASC interest.

List each payer's name and the amount of interest on line 1. Add the amounts on line 1 and write the total on line 2.

Lines 3 through 6, Interest from All-Savers Certificates. Use lines 3 through 6 to report interest from ASCs. In general, you can claim a $1,000 lifetime exclusion ($2,000 on a joint return, regardless of which spouse received the income) of interest from ASCs. This exclusion applies to the total of all qualifying ASCs.

Part I, line 3. List each payer's name and the amount of ASC interest on line 3. Exceptions: Some ASC interest does not qualify for the exclusion. Do **not** report on line 3 interest received from an ASC if—

- You redeemed the ASC before it matured. Any interest from this ASC is fully taxable. Report it in Part I, line 1.
- You excluded interest in 1981 from an ASC you redeemed in 1982 before it matured. You must report in Part I, line 1, the interest you excluded from that ASC in 1981 and any interest you received from that ASC in 1982.
- You used all or part of your ASC as collateral or security for a loan. In this case you are considered as having redeemed the ASC. Report the interest in Part I, line 1.

Part I, line 4. Add the amounts on line 3, and write the total on line 4.

Part I, line 5, Exclusion of ASC interest. Use the worksheet below to figure your ASC exclusion. *(Note: On a joint return each spouse is treated as having claimed half the amount of the exclusion.)*

A. Write the amount from Part I, line 4 on page 2 of Form 1040A. A. ______ .

B. Write $1,000 ($2,000 if a joint return). This is your maximum ASC exclusion. B. ______ .

C. Write the amount of ASC interest you excluded in 1981. (You can find this amount from line 1e on page 2 of your 1981 Form 1040A or on your 1981 Schedule B (Form 1040).) C. ______ .

D. Subtract line C from line B. Write the result. D. ______ .

E. Compare amounts on lines A and D. Write the smaller of the two amounts here. Also write this amount on line 5 of Part I. This is your ASC exclusion for 1982. E. ______ .

***Tax Tip:** If you redeemed an ASC or other time savings deposit early, your interest statement may show a penalty for early withdrawal. You can deduct this penalty, but you must use Form 1040 to claim the deduction.*

Part I, line 6. Subtract line 5 from line 4. This is your taxable ASC interest.

Part I, line 7. Add lines 2 and 6 and write the total on line 7 of Part I. Then write this amount on Form 1040A, line 7, on page 1 of your return.

For more details on the ASC exclusion, see **Publication 550.**

Line 8. Dividends

Use line 8 to report income from dividends. There are three parts to this line:

Line 8a. Report your total "ordinary" dividends on line 8a. You can assume that any dividend you receive is an ordinary dividend unless the corporation tells you otherwise.

**Line 8.
Dividends
(continued)**

Each payer will usually send you **Form 1099-DIV**, or a similar statement. It will show you whether your dividend qualifies for an exclusion. If you are unsure, contact the corporation. Report all taxable dividends even if you did not receive a statement.

If the amount on line 8a is over $400, you must complete Part II, Dividend income, on page 2 of the return. The instructions for this part are on page 2 of Form 1040A.

Tax Tip: Generally, taxable dividends you receive after June 30, 1983, will be subject to income tax withholding of 10%. However, certain taxpayers can file a certificate to be exempt from this withholding. Get Form W-6 for more details.

You cannot use Form 1040A if any of the following apply (use Form 1040 instead):

- You had capital gain distributions or nontaxable distributions.
- You received dividends as a nominee for someone else.
- You are excluding qualified reinvested dividends from a "qualified public utility."

Note: Earnings from savings and loan associations, building and loan associations, or credit unions are often called dividends. But they are really interest and should be reported on line 7.

Line 8b, Dividend exclusion. You can exclude (subtract) up to $100 of qualifying dividend income. (You can exclude up to $200 on a joint return regardless of which spouse owns the stock.) On line 8b write your excludable amount.

In the example on page 12, Jon Brown had $190 in dividends on stock he owned separately. Jon and Lisa also received $50 in dividends on stock they jointly owned. Since they are filing a joint return, they can claim a $200 dividend exclusion. If they had filed separate returns, Jon could have claimed a $100 dividend exclusion; however, Lisa could have only claimed a $25 dividend exclusion. This is because she is treated as having received one-half of the jointly-owned dividends.

Qualifying dividends. Only dividends from **domestic** corporations qualify for the dividend exclusion. Dividends from regulated investment companies (including Money Market Funds) may qualify; the corporation will tell you how much of the dividend, if any, qualifies.

Dividends from the following corporations do **not** qualify for the exclusion:

- Foreign corporations.
- Real estate investment trusts (REITS).
- Exempt corporations (such as charitable organizations and farmers' cooperative associations).

For more details on the dividend exclusion, get **Publication 550**.

Line 8c. Subtract line 8b from line 8a. Write your answer on line 8c. If it's less than zero, write -0-.

**Line 9.
Unemployment
compensation**

If you received unemployment compensation, you might have to pay tax on some of it.

You will receive a **Form 1099-UC**, showing the amount of unemployment compensation you were paid. Write this amount on line 9a. Then use the worksheet on page 16 to see if any of it is taxable.

Do not include on line 9a any supplemental unemployment benefits you received from a company-financed supplemental unemployment benefit fund. Instead, report these benefits as wages on Form 1040A, line 6. If you paid back these benefits in a later year because you received payments under the Trade Act of 1974, you can deduct the repayment, but you must use Form 1040 to do so. For more details, get **Publication 525, Taxable and Nontaxable Income.**

Line 9.
Unemployment compensation (continued)

In the example on page 12, Jon Brown received unemployment compensation of $3,000 in 1982. He was overpaid $300 and repaid this amount in 1982.

Here is a sample worksheet showing how the Browns figure their unemployment compensation.

Unemployment compensation worksheet SAMPLE

Check only one box:
☐ **a.** Single—enter $12,000 on line F below.
☒ **b.** Married filing a joint return—enter $18,000 on line F below.
☐ **c.** Married not filing a joint return and lived with your spouse at any time during the year—enter —0— on line F below.
☐ **d.** Married not filing a joint return and DID NOT live with your spouse at any time during the year—enter $12,000 on line F below.

A. Write total unemployment compensation from Form(s) 1099-UC. Also write this amount on line 9a of your return. A. $3,000.00
B. If in 1982 you repaid any unemployment compensation you received in 1982, write the amount repaid here. Also write "repayment" and the amount in the margin to the left of line 9a of your return. B. − 300.00
C. Subtract line B from line A. C. = 2,700.00
D. Add lines 6, 7, and 8c of Form 1040A and enter here. D. + 9,275.00
E. Add lines C and D. Write the total here. E. = 11,975.00
F. Write: $12,000 if you checked Box **a.** or **d.** above.
$18,000 if you checked Box **b.** above.
—0— if you checked Box **c.** above. F. − 18,000.00
G. Subtract line F from line E. If zero or less, stop here and write -0- on line 9b of your return. G. = -0-
H. Divide the amount on line G by 2. H. ______
I. Write the smaller of line C or line H. This is the taxable part of your unemployment compensation. Also write this amount on line 9b of your return. I. ______

Unemployment compensation worksheet (keep for your records)

Check only one box:
☐ **a.** Single—enter $12,000 on line F below.
☐ **b.** Married filing a joint return—enter $18,000 on line F below.
☐ **c.** Married not filing a joint return and lived with your spouse at any time during the year—enter —0— on line F below.
☐ **d.** Married not filing a joint return and DID NOT live with your spouse at any time during the year—enter $12,000 on line F below.

A. Write total unemployment compensation from Form(s) 1099-UC. Also write this amount on line 9a of your return. A. ______
B. If in 1982 you repaid any unemployment compensation you received in 1982, write the amount repaid here. Also write "repayment" and the amount in the margin to the left of line 9a of your return. B. − ______
C. Subtract line B from line A. C. = ______
D. Add lines 6, 7, and 8c of Form 1040A and enter here. D. + ______
E. Add lines C and D. Write the total here. E. = ______
F. Write: $12,000 if you checked Box **a.** or **d.** above.
$18,000 if you checked Box **b.** above.
—0— if you checked Box **c.** above. F. − ______
G. Subtract line F from line E. If zero or less, stop here and write -0- on line 9b of your return. G. = ______
H. Divide the amount on line G by 2. H. ______
I. Write the smaller of line C or line H. This is the taxable part of your unemployment compensation. Also write this amount on line 9b of your return. I. ______

Line 11.
Deduction for a married couple when both work

New for '82!

Beginning in 1982, a husband and wife can take a deduction if they file a joint return and they both worked and received "qualified earned income."

"Qualified earned income" means wages, salaries, and tips. It does not include pensions, annuities, nontaxable income, interest, dividends, unemployment compensation, distributions from an IRA, or deferred compensation.

Note: Do not consider community property laws in figuring your earned income.

In the example on page 12, Jon and Lisa Brown deducted $95 on line 11 of their return because they both worked and they filed a joint return. Jon's wages were $7,180 and Lisa's wages were $1,900. Since Lisa's wages were the smaller of the two, they figured their deduction using her wages.

Here is a sample worksheet showing how the Browns figure their deduction.

SAMPLE

		(a) You	(b) Your Spouse
A. Wages, salaries, tips (from line 6 of Form 1040A).	A. $	7,180.00	$ 1,900.00
B. Write amount from column (a) or (b) above, whichever is smaller.		B. $	1900.00
C. Multiply the amount on line B by 5% (.05).		C.	x .05
D. Write your answer here and on line 11 of Form 1040A.		D. $	95.00

Use the following worksheet to figure your deduction:

		(a) You	(b) Your Spouse
A. Wages, salaries, tips (from line 6 of Form 1040A).	**A. $**	.	**$** .
B. Write amount from column (a) or (b) above, whichever is smaller.		**B. $**	.
C. Multiply the amount on line B by 5% (.05).		**C.**	**x .05**
D. Write your answer here and on line 11 of Form 1040A.		**D. $**	.

Line 12.
Adjusted gross income

Subtract line 11 from line 10. This is your adjusted gross income for 1982.

If line 12 is less than $10,000, you might be eligible for the earned income credit. See page 20 of the instructions for more details.

Step 4
Figuring your taxable income

13	Allowable part of your charitable contributions. Complete the worksheet on page 18	13	15.00
14	Subtract line 13 from line 12	14	9,165.00
15	Multiply $1,000 by the total number of exemptions claimed in box 5e	15	3,000.00
16	Subtract line 15 from line 14. This is your taxable income.	16	6,165.00

Line 13.
Allowable part of your charitable contributions

Also use these instructions when completing line 4 of Form 1040EZ.

New for '82!

Tax Tip: For more details on what qualifies as a charitable contribution, get ***Publication 526, Charitable Contributions.***

Beginning in 1982, you can deduct **part** of what you gave to certain charitable organizations when you use Form 1040EZ or Form 1040A. The amount you can deduct depends on what your filing status is and how much you actually contributed to qualified organizations. Qualified organizations are religious, charitable, educational, scientific, or literary in purpose, or work to prevent cruelty to children or animals.

Contributions can be in the form of cash (including checks and money orders), property, or out-of-pocket expenses you paid to do volunteer work.

Examples of contributions you CAN deduct:

- Gifts to churches, temples, synagogues, Salvation Army, Red Cross, Scouts, United Way, etc.
- Gifts to nonprofit schools and hospitals.
- Gifts to veterans' and certain cultural groups.

Examples of contributions you CANNOT deduct:

- Political contributions (but see line 17a instructions).
- Gifts to individuals, foreign organizations, and civic leagues.
- The value of your time or services.
- The cost of raffle, bingo, or lottery tickets.
- Value of blood given to a blood bank.

Here is a sample worksheet showing how the Browns figure their deduction. They gave $60 to two qualified charities and can deduct $15 on line 13 of their return.

	SAMPLE		
A. Cash contributions		A.	$60.00
B. Contributions other than cash		B.+	-0-
C. Add lines A and B. Do not write more than $100 ($50 if married filing separately).		C.=	60.00
D. Multiply the amount on line C by 25% (.25).		D. x	.25
E. Write your answer here and on line 13 of Form 1040A (or on line 4 of Form 1040EZ).		E.=	$15.00

Had the Browns given $160 rather than $60, their deduction on line 13 would have been limited to $25. This is because the deduction cannot be more than $25.

Use the worksheet below to figure your charitable contributions deduction:

A. Cash contributions	A.	.
B. Contributions other than cash	B.+	.
C. Add lines A and B. Do not write more than $100 ($50 if married filing separately).	C.=	.
D. Multiply the amount on line C by 25% (.25).	D. x	.25
E. Write your answer here and on line 13 of Form 1040A (or on line 4 of Form 1040EZ).	E.=	.

Line 15.
Exemptions

You are entitled to a $1,000 deduction for each exemption you can take. Multiply $1,000 by the number of exemptions shown on line 5e. Write this amount on line 15.

Line 16.
Taxable income

Subtract line 15 from line 14. This is your taxable income. Your tax is figured on this amount. If line 16 is $50,000 or more, you **cannot** use Form 1040A. You **must** use Form 1040 instead.

Step 5 Figuring your tax, credits, and payments

17a	Partial credit for political contributions. See page 19 ■	17a	.		
b	Total Federal income tax withheld, from W-2 form(s). *(If line 6 is more than $32,400, see page 19.)*	17b	480.00		
	Stop Here and Sign Below If You Want IRS to Figure Your Tax				
c	Earned income credit, from worksheet on page 21	17c	103.00		
18	Add lines 17a, b, and c. These are your total credits and payments			18	583.00
19a	Find tax on amount on line 16. Use tax table, pages 26-31	19a	347.00		
b	Advance EIC payment *(from W-2 form(s))*	19b	58.00		
20	Add lines 19a and 19b. This is your total tax			20	405.00

Line 17a.
Partial credit for political contributions

Tax Tip: If you checked "Yes" for the Presidential Election Campaign Fund, do NOT include that $1 (or $2) on line 17a as a political contribution.

You can take a credit for part of what you gave in 1982 to help pay the campaign expenses of candidates for public office and to political committees and newsletter funds of candidates and elected public officials.

Rules for figuring the amount of your credit:

Married couples filing a joint return:

- If you gave $200 or more, you can take a credit for $100.
- If you gave less than $200, you can take a credit for one-half of what you gave.

All other filing statuses:

- If you gave $100 or more, you can take a credit for $50.
- If you gave less than $100, you can take a credit for one-half of what you gave.

Note: *The credit you claim on line 17a cannot be more than the amount of the tax shown on line 19a.*

Line 17b.
Total Federal income tax withheld

Write the total amount shown as **Federal income tax withheld** on your 1982 W-2 form. If you have several W-2 forms, add the amounts of tax withheld as shown on each W-2 form.

If you are filing a *joint return,* include Federal income tax withheld for both you and your spouse. If you are filing a *separate return,* include only your own income tax withheld.

Excess social security taxes (FICA) and railroad retirement taxes (RRTA) withheld. If you had more than one employer for 1982 and your total wages were over $32,400, your employers may have withheld too much social security tax (FICA) or railroad retirement tax (RRTA). If so, you can add the excess amount to your income tax withheld.

Note: *If any one employer withheld more than $2,170.80 in FICA tax, or more than $2,656.80 in RRTA tax, you must ask your employer to refund the excess to you. You cannot claim it on your return.*

Tax Tip: If you are filing a joint return, you must figure excess social security tax withholding separately for each spouse. Do NOT combine amounts of both husband and wife.

Use the worksheet below to figure excess social security taxes:

Employer		Social security tax withheld
A.	$	.
	+	.
	+	.
B. Add amounts withheld	=	.
C. Social security tax limit	−	2,170.80
D. Subtract line C from line B, and write the result here. Also add this amount to the Federal income tax withheld on line 17b (line 8 of Form 1040EZ). Write "Excess FICA" and show amount in the margin to the left of line 17b (line 8 of Form 1040EZ).	=	.

Note: *If you had more than one railroad employer and you paid more RRTA tax than you should have, contact your employer to see how to figure excess RRTA tax. Do not use the worksheet.*

IRS will figure your tax and your earned income credit for you

If you want us to, we will figure your tax for you. If it turns out that you have paid too much tax, we will send you a refund. If you did not pay enough tax, we'll send you a bill. We won't charge you interest or a late payment penalty if you pay the bill within 30 days of the notice date or by the due date for your return, whichever is later.

We will figure your tax if you—

- Fill in all the parts of the return through line 17b that apply to you, and
- Show separately in the margin of the form your own taxable income and that of your spouse (if you file a joint return), and
- Attach the first copy or Copy B of all your W-2 forms, and
- Complete page 2 of Form 1040A if required, and
- Sign and date your return (both spouses must sign a joint return), and
- Mail it by April 15, 1983.

If you can take the earned income credit (see line 17c instructions below), we can figure that for you too. If you don't have to file a return, but are filing only to take the credit, follow all of the above instructions; however, don't check the Presidential Election Campaign Fund box(es).

Line 17c. Earned income credit

This is a special credit that can help some people who have a child and have income under $10,000. If you can take the credit, you can subtract it from tax you owe or get a refund even if you had no tax withheld from your pay. The credit can be as much as $500.

To qualify for the credit, all of the following must apply:

1. You had earned income in 1982, and
2. The amount on line 12 of your tax return is less than $10,000, and
3. You have a child who lived with you in your principal home all of 1982 (this home must have been in the United States), and
4. Your filing status is **either** married filing joint **or** head of household. *In addition,* special rules apply to each of these two filing statuses:
   - **Married filing joint.** Your child must be claimed as your dependent.
   - **Head of household.** If your child is **unmarried,** this child does not have to be your dependent. But you must write that child's name on line 4 of your return if the child is not your dependent. If your child is **married,** this child must be claimed as your dependent.

Earned income includes:	Earned income does not include:
• Wages, salaries, tips • Anything else of value (money, goods, services) that you get from your employer for your services even if it is not taxable (such as housing allowance (or rental value of a parsonage) for clergy members and meals and lodging for employees)	• Interest, dividends • Social security payments • Welfare benefits • Nondisability pensions • Veterans' benefits • Workmen's compensation • Unemployment compensation (insurance)

For purposes of this credit, "child" means:

- Your son or daughter.
- Your stepchild, adopted child, or a child placed with you by an authorized placement agency for legal adoption (even if the child did not live with you the whole year).
- Any other child whom you cared for as your own child for the whole year, unless the child's natural or adoptive parents provided more than half the child's support for 1982.

Tax Tip: If you expect to be able to take the credit for 1983 and want to get advance payments of the credit, file Form W-5 with your employer. You MUST file a return if you get advance earned income credit payments.

Line 17c.
Earned income credit (continued)

If you qualify for the credit, use the worksheet below to figure it. If you do not qualify for the credit, write "No" on line 17c and do not use the worksheet. In the example, the Browns are eligible to take the earned income credit.

Here is a sample worksheet showing how the Browns figure their credit.

SAMPLE

A. Write the amount from line 6, Form 1040A. Also include other earned income whether taxable or not. A. $9,080.00

B. Write the amount from line 12, Form 1040A. B. $9,180.00

C. If line B is $6,000 or less, use line A to find the credit in the table on page 32. Write the amount here and on Form 1040A, line 17c. C. .

D. If line B is more than $6,000:
1. First, use line A to find the credit in the table on page 32. Write that amount here. 1. $116.00
2. Then, use line B to find the credit in the table. Write that amount here. 2. $103.00
3. Compare lines 1 and 2 above. Write the smaller of the two amounts here. Also write this amount on line 17c of Form 1040A. D. $103.00

Earned income credit worksheet (keep for your records)

A. Write the amount from line 6, Form 1040A. Also include other earned income whether taxable or not. A. .

B. Write the amount from line 12, Form 1040A. B. .

C. If line B is $6,000 or less, use line A to find the credit in the table on page 32. Write the amount here and on Form 1040A, line 17c. C. .

D. If line B is more than $6,000:
1. First, use line A to find the credit in the table on page 32. Write that amount here. 1. .
2. Then, use line B to find the credit in the table. Write that amount here. 2. .
3. Compare lines 1 and 2 above. Write the smaller of the two amounts here. Also write this amount on line 17c of Form 1040A. D. .

Line 19a.
Figuring your income tax

If line 16 is less than $50,000, find your tax in the tax table on pages 26-31.

If line 16 is $50,000 or more, you cannot file Form 1040A. Instead, you must file Form 1040 and use the tax rate schedules to figure your tax.

Note: ***The tax in the table has been figured so that it already includes the zero bracket amount and the new reduced tax rates.***

Line 19b.
Advance EIC payments

If you received advance EIC payments during the year, write the amount as shown on your W-2 form or forms.

Step 6 Figuring your refund or amount you owe

21 If line 18 is larger than line 20, subtract line 20 from line 18. Enter the amount to be **refunded to you** 21 178.00

22 If line 20 is larger than line 18, subtract line 18 from line 20. Enter the **amount you owe.** Attach payment for full amount payable to "Internal Revenue Service." 22

Line 21. Refund

Tax Tip: If you move after you file your return and you expect a refund, tell your post office to forward your mail. Otherwise, your refund check may be delayed.

If you had too much tax withheld, the amount on line 18 will be larger than that on line 20. Subtract line 20 from line 18 and write your answer on line 21—this is the amount of your refund. If line 21 is less than $1, we will send you the refund only if you request it when you file your return.

If your refund is large, see your payroll office about having less tax withheld from your pay. Ask about filling out a new **Form W-4,** Employee's Withholding Allowance Certificate.

Line 22. Amount you owe

If you did not have enough tax withheld, the amount on line 20 will be larger than that on line 18. Subtract line 18 from line 20 and write your answer on line 22—this is the amount you still owe IRS. If line 22 is less than $1, you do not have to pay it.

Pay the full amount by check or money order, payable to the "Internal Revenue Service." On your payment write your social security number and "1982 Form 1040A," and attach the payment to your return.

Penalty for not paying enough tax during the year. There is a penalty for not paying enough tax during the year. If the amount you owe IRS (line 22 of Form 1040A) is $200 or more, you may have to pay a penalty if:

- The amount of Federal income tax withheld (line 17b) is less than 80% of—
- The amount of tax (line 20) minus the total of—
  a. Partial political contributions credit (line 17a), and
  b. Earned income credit (line 17c).

If you owe a penalty, you must file Form 1040 and attach **Form 2210,** Underpayment of Estimated Tax by Individuals, to it.

However, you may be able to avoid the penalty if you meet one of the exceptions explained in **Form 2210.**

Step 7 Sign your return

Reminder: Be sure to attach the first copy or Copy B of your W-2 form(s) to your return.

I have read this return and any attachments filed with it. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return and attachments are correct and complete.

▶ Jon T. Brown 2/15/83 ▶ Lisa Brown 2/15/83

Your signature Date Spouse's signature (If filing jointly, BOTH must sign)

Paid preparer's signature Date Check if self-employed ☐ Preparer's social security no.

Firm's name (or yours, if self-employed) Address and Zip code E.I. no.

For **Privacy Act and Paperwork Reduction Act Notice,** see page 34.

*Tax Tip: Tax return preparers should see **Publication 1045,** Information and Order Blanks for Preparers of Federal Income Tax Returns, for details on their responsibilities as paid tax return preparers.*

Form 1040A or Form 1040EZ is not considered a return unless you sign it. Your spouse must also sign if you are filing a joint return on Form 1040A. Be sure to date your return.

Paid preparers must sign your return. Generally, anyone you pay to prepare your return must sign it. Someone who prepares it for you but does not charge you should not sign. A preparer who must sign your return must:

- Sign it by hand in the space provided (signature stamps or labels cannot be used), and give you a copy of the return for your records.

Paid preparers of Form 1040EZ must sign the return and provide all other required information on the return. This information should be provided at the bottom of the form below the area for the taxpayer's signature.

Filing dates, penalties, and interest

If you do not file your return by April 15, 1983, you may have to pay a penalty.

Filing late. The penalty for filing late is 5% of the amount due, for each month or part of a month the return is late. The penalty cannot be more than 25% of your tax due. If you have a reasonable explanation for filing late, you might not have to pay the penalty, but you must attach the explanation to your return.

Minimum penalty for extended failure to file. If you fail to file your return within 60 days of the due date (with extensions), the penalty will not be less than $100 or the amount of any additional tax you owe, whichever is smaller.

Paying tax late. The penalty is ½ of 1% of the unpaid amount for each month or part of a month the tax is not paid. The penalty cannot be more than 25% of the unpaid amount. The penalty applies to any unpaid tax on the return and also applies to any additional tax shown on a bill not paid within 10 days of the date of the bill.

Interest. We will charge you interest on taxes not paid by their due date.

Extension of time to file. If you need more time to file, you can get an automatic four-month extension by filing **Form 4868**, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return, by April 15, 1983. But you must file Form 1040 as your return. You should be aware that an extension of time *to file* is not an extension of time *to pay.*

Section 3— General information

This section contains general information about items such as how to file a return for a deceased taxpayer, how long to keep your records, and how to file an amended return if you need to change your return.

Voluntary contributions to reduce the public debt

You may make voluntary contributions to reduce the public debt. Subject to the limitations on charitable contributions, you can deduct this contribution on next year's tax return.

If you should wish to contribute, please enclose a **separate** check in your tax return envelope made payable to "Bureau of the Public Debt." Please keep your contribution to reduce the public debt **separate** from any amount payable on your tax return.

Note: *If you owe an amount on your tax return, make a separate check for the amount you owe payable to "Internal Revenue Service."*

Death of taxpayer

If the taxpayer died before filing a return for 1982, the taxpayer's spouse or personal representative may have to file a return and sign for the person who died. A personal representative can be an executor, administrator, or anyone who is in charge of the taxpayer's property. If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund.

If your spouse died in 1982 and you did not remarry in 1982, or if your spouse died in 1983 before filing a return for 1982, you can file a joint return. A joint return should show your spouse's 1982 income before death and your income for all of 1982. Write "deceased" after the deceased taxpayer's name and show the date of death in the name and address space of Form 1040A. Please write "Filing as surviving spouse" in the area where you sign the return. If someone

Death of taxpayer (continued)

else is the personal representative, he or she must also sign.

If you are claiming a refund as a surviving spouse filing a joint return with the decedent and you follow the above instructions, no other form is needed to have the refund issued to you. However, all other filers requesting a refund due a decedent must file **Form 1310**, Statement of Person Claiming Refund Due a Deceased Taxpayer, to claim the refund.

For more details, get **Publication 559**, Tax Information for Survivors, Executors, and Administrators.

How long to keep your records

Keep records of all items appearing on your tax return until the statute of limitations runs out for the return. Usually this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. Also keep copies of your filed tax returns as part of your records. You should keep some records longer. For example, keep property records (including those on your own home) as long as they are needed to figure the basis of the original or replacement property.

For more details, get **Publication 552**, Recordkeeping for Individuals and a List of Tax Publications.

*Tax Tip: If you income average for 1982, you will need copies of your tax returns for 1978 through 1981. You must file **Form 1040 and Schedule G** to income average.*

How to amend your tax return

If, after you file your income tax return, you become aware of any changes you must make to income, deductions, or credits, file **Form 1040X**, Amended U.S. Individual Income Tax Return, to change the return you already filed.

If your return is changed for any reason (for example, as a result of an audit of your return by IRS), it may affect your State tax return. Contact your State tax agency for more information.

Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE)

Free help is available in most communities to lower-income, elderly, handicapped, and non-English-speaking individuals in preparing Form 1040EZ, Form 1040A, and the basic Form 1040. Call the toll-free telephone number for your area for the location of the volunteer assistance site near you.

Unresolved tax problems

IRS has a Problem Resolution Program for taxpayers who have been unable to resolve their problems with IRS. If you have a tax problem you have been unable to resolve through normal channels, write to your local IRS District Director or call your local IRS office and ask for Problem Resolution assistance.

The Problem Resolution Office will take responsibility for your problem and ensure that it receives proper attention. Although this office cannot change the tax law or technical decisions, it can frequently clear up misunderstandings that resulted from previous contacts.

Income tax withholding for 1983

If the amount due IRS on line 22 or the refund IRS owes you on line 21 is large, see your payroll office. Ask about filling out a new **Form W-4** to change the amount of tax to be withheld from your pay. For example, working married couples and persons with two or more jobs often need to have more tax withheld to avoid owing a large payment when the return is filed. You may also owe more tax because you have other income on which there is no withholding.

If you go back to work after a period of unemployment, you may reduce the amount of income tax withheld if your employer agrees to use the part-year method of withholding. There are also other methods which could reduce your withholding. For more details, see your employer or get **Publication 505**.

*Tax Tip: Beginning in 1983, if you receive taxable interest, dividends, or pensions and annuities, you may be subject to income tax withholding on these amounts. For more details, see **Publication 505**.*

Estimated tax payments

In general, you do not have to make estimated tax payments if you expect that your 1983 tax return will show a tax refund OR a tax balance due IRS of less than $300. However, if you make estimated tax payments for 1983, you must use Form 1040 to claim the payments you made. Please see **Publication 505** for more details.

Where to file

Please use the addressed envelope that came with your return. If you do not have an addressed envelope, or if you moved during the year, mail your return to the **Internal Revenue Service Center** for the place where you live. No street address is needed.

Alabama—Atlanta, GA 31101
Alaska—Ogden, UT 84201
Arizona—Ogden, UT 84201
Arkansas—Austin, TX 73301
California—Fresno, CA 93888
Colorado—Ogden, UT 84201
Connecticut—Andover, MA 05501
Delaware—Philadelphia, PA 19255
District of Columbia—Philadelphia, PA 19255
Florida—Atlanta, GA 31101
Georgia—Atlanta, GA 31101
Hawaii—Fresno, CA 93888
Idaho—Ogden, UT 84201
Illinois—Kansas City, MO 64999
Indiana—Memphis, TN 37501
Iowa—Kansas City, MO 64999
Kansas—Austin, TX 73301
Kentucky—Memphis, TN 37501
Louisiana—Austin, TX 73301
Maine—Andover, MA 05501
Maryland—Philadelphia, PA 19255
Massachusetts—Andover, MA 05501
Michigan—Cincinnati, OH 45999
Minnesota—Ogden, UT 84201
Mississippi—Atlanta, GA 31101
Missouri—Kansas City, MO 64999
Montana—Ogden, UT 84201
Nebraska—Ogden, UT 84201
Nevada—Ogden, UT 84201
New Hampshire—Andover, MA 05501
New Jersey—Holtsville, NY 00501
New Mexico—Austin, TX 73301
New York—*New York City and Counties of Nassau, Rockland, Suffolk, and Westchester*—Holtsville, NY 00501
All other Counties—Andover, MA 05501
North Carolina—Memphis, TN 37501
North Dakota—Ogden, UT 84201
Ohio—Cincinnati, OH 45999
Oklahoma—Austin, TX 73301
Oregon—Ogden, UT 84201
Pennsylvania—Philadelphia, PA 19255
Rhode Island—Andover, MA 05501
South Carolina—Atlanta, GA 31101
South Dakota—Ogden, UT 84201
Tennessee—Memphis, TN 37501
Texas—Austin, TX 73301
Utah—Ogden, UT 84201
Vermont—Andover, MA 05501
Virginia—Memphis, TN 37501
Washington—Ogden, UT 84201
West Virginia—Memphis, TN 37501
Wisconsin—Kansas City, MO 64999
Wyoming—Ogden, UT 84201
American Samoa—Philadelphia, PA 19255
Guam—Commissioner of Revenue and Taxation, Agana, GU 96910
Puerto Rico *(or if excluding income under section 933)*—Philadelphia, PA 19255
Virgin Islands: Non-permanent resident—Philadelphia, PA 19255
Virgin Islands: Permanent resident—Department of Finance, Tax Division, Charlotte Amalie, St. Thomas, VI 00801
A.P.O. or F.P.O. *address of:*
  Miami—Atlanta, GA 31101
  New York—Holtsville, NY 00501
  San Francisco—Fresno, CA 93888
  Seattle—Ogden, UT 84201
Foreign country: *U.S. citizens and those excluding income under section 911 or 931, or claiming the housing deduction under section 911*—Philadelphia, PA 19255

1982 Tax Table

Based on Taxable Income

For persons with taxable incomes of less than $50,000.

Example: Mr. and Mrs. Green are filing a joint return. Their taxable income on line 16 of Form 1040A is $23,270. First, they find the $23,250-23,300 income line. Next, they find the column for married filing jointly and read down the column. The amount shown where the income line and filing status column meet is $3,706. This is the tax amount they must write on line 19a of Form 1040A.

At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
23,250	23,300	4,767	3,706	5,894	4,379
23,300	23,350	4,783	3,718	5,916	4,393
23,350	23,400	4,798	3,731	5,938	4,407

If 1040A, line 16, OR 1040EZ, line 7 is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
0	1,700	0	0	0	0
1,700	1,725	0	0	[a]2	0
1,725	1,750	0	0	5	0
1,750	1,775	0	0	8	0
1,775	1,800	0	0	11	0
1,800	1,825	0	0	14	0
1,825	1,850	0	0	17	0
1,850	1,875	0	0	20	0
1,875	1,900	0	0	23	0
1,900	1,925	0	0	26	0
1,925	1,950	0	0	29	0
1,950	1,975	0	0	32	0
1,975	2,000	0	0	35	0
2,000					
2,000	2,025	0	0	38	0
2,025	2,050	0	0	41	0
2,050	2,075	0	0	44	0
2,075	2,100	0	0	47	0
2,100	2,125	0	0	50	0
2,125	2,150	0	0	53	0
2,150	2,175	0	0	56	0
2,175	2,200	0	0	59	0
2,200	2,225	0	0	62	0
2,225	2,250	0	0	65	0
2,250	2,275	0	0	68	0
2,275	2,300	0	0	71	0
2,300	2,325	[b]2	0	74	[b]2
2,325	2,350	5	0	77	5
2,350	2,375	8	0	80	8
2,375	2,400	11	0	83	11
2,400	2,425	14	0	86	14
2,425	2,450	17	0	89	17
2,450	2,475	20	0	92	20
2,475	2,500	23	0	95	23
2,500	2,525	26	0	98	26
2,525	2,550	29	0	101	29
2,550	2,575	32	0	104	32
2,575	2,600	35	0	107	35
2,600	2,625	38	0	110	38
2,625	2,650	41	0	113	41
2,650	2,675	44	0	116	44
2,675	2,700	47	0	119	47
2,700	2,725	50	0	122	50
2,725	2,750	53	0	125	53
2,750	2,775	56	0	128	56
2,775	2,800	59	0	131	59
2,800	2,825	62	0	135	62
2,825	2,850	65	0	138	65
2,850	2,875	68	0	142	68
2,875	2,900	71	0	145	71
2,900	2,925	74	0	149	74
2,925	2,950	77	0	152	77
2,950	2,975	80	0	156	80
2,975	3,000	83	0	159	83
3,000					
3,000	3,050	87	0	165	87
3,050	3,100	93	0	172	93
3,100	3,150	99	0	179	99
3,150	3,200	105	0	186	105
3,200	3,250	111	0	193	111
3,250	3,300	117	0	200	117
3,300	3,350	123	0	207	123
3,350	3,400	129	0	214	129
3,400	3,450	136	[c]3	221	135
3,450	3,500	143	9	228	141
3,500	3,550	150	15	235	147
3,550	3,600	157	21	242	153
3,600	3,650	164	27	249	159
3,650	3,700	171	33	256	165
3,700	3,750	178	39	263	171
3,750	3,800	185	45	270	177
3,800	3,850	192	51	277	183
3,850	3,900	199	57	285	189
3,900	3,950	206	63	293	195
3,950	4,000	213	69	301	201
4,000					
4,000	4,050	220	75	309	207
4,050	4,100	227	81	317	213
4,100	4,150	234	87	325	219
4,150	4,200	241	93	333	225
4,200	4,250	248	99	341	231
4,250	4,300	255	105	349	237
4,300	4,350	262	111	357	243
4,350	4,400	269	117	365	249
4,400	4,450	276	123	373	256
4,450	4,500	284	129	381	263
4,500	4,550	292	135	389	270
4,550	4,600	300	141	397	277
4,600	4,650	308	147	405	284
4,650	4,700	316	153	413	291
4,700	4,750	324	159	421	298
4,750	4,800	332	165	429	305
4,800	4,850	340	171	437	312
4,850	4,900	348	177	445	319
4,900	4,950	356	183	453	326
4,950	5,000	364	189	461	333
5,000					
5,000	5,050	372	195	469	340
5,050	5,100	380	201	477	347
5,100	5,150	388	207	485	354
5,150	5,200	396	213	493	361
5,200	5,250	404	219	501	368
5,250	5,300	412	225	509	375
5,300	5,350	420	231	517	382
5,350	5,400	428	237	525	389
5,400	5,450	436	243	533	396
5,450	5,500	444	249	541	403
5,500	5,550	452	256	549	410
5,550	5,600	460	263	557	417
5,600	5,650	468	270	565	424
5,650	5,700	476	277	573	431
5,700	5,750	484	284	581	438
5,750	5,800	492	291	589	445
5,800	5,850	500	298	597	452
5,850	5,900	508	305	605	459
5,900	5,950	516	312	613	466
5,950	6,000	524	319	622	473
6,000					
6,000	6,050	532	326	631	480
6,050	6,100	540	333	641	487
6,100	6,150	548	340	650	494
6,150	6,200	556	347	660	501
6,200	6,250	564	354	669	508
6,250	6,300	572	361	679	515
6,300	6,350	580	368	688	522
6,350	6,400	588	375	698	529
6,400	6,450	596	382	707	536
6,450	6,500	604	389	717	543
6,500	6,550	612	396	726	550
6,550	6,600	621	403	736	558
6,600	6,650	629	410	745	566
6,650	6,700	638	417	755	574
6,700	6,750	646	424	764	582
6,750	6,800	655	431	774	590
6,800	6,850	663	438	783	598
6,850	6,900	672	445	793	606
6,900	6,950	680	452	802	614
6,950	7,000	689	459	812	622
7,000					
7,000	7,050	697	466	821	630
7,050	7,100	706	473	831	638
7,100	7,150	714	480	840	646
7,150	7,200	723	487	850	654
7,200	7,250	731	494	859	662
7,250	7,300	740	501	869	670
7,300	7,350	748	508	878	678
7,350	7,400	757	515	888	686
7,400	7,450	765	522	897	694
7,450	7,500	774	529	907	702
7,500	7,550	782	536	916	710
7,550	7,600	791	543	926	718
7,600	7,650	799	550	935	726
7,650	7,700	808	558	945	734
7,700	7,750	816	566	954	742
7,750	7,800	825	574	964	750
7,800	7,850	833	582	973	758
7,850	7,900	842	590	983	766
7,900	7,950	850	598	992	774
7,950	8,000	859	606	1,002	782

Continued on next page

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[a] If your taxable income is exactly $1,700, your tax is zero.

[b] If your taxable income is exactly $2,300, your tax is zero.

[c] If your taxable income is exactly $3,400, your tax is zero.

If 1040A, line 16, OR 1040EZ, line 7 is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
8,000					
8,000	8,050	867	614	1,012	790
8,050	8,100	876	622	1,023	798
8,100	8,150	884	630	1,034	806
8,150	8,200	893	638	1,045	814
8,200	8,250	901	646	1,056	822
8,250	8,300	910	654	1,067	830
8,300	8,350	918	662	1,078	838
8,350	8,400	927	670	1,089	846
8,400	8,450	935	678	1,100	854
8,450	8,500	944	686	1,111	862
8,500	8,550	953	694	1,122	870
8,550	8,600	962	702	1,133	878
8,600	8,650	972	710	1,144	886
8,650	8,700	981	718	1,155	894
8,700	8,750	991	726	1,166	903
8,750	8,800	1,000	734	1,177	913
8,800	8,850	1,010	742	1,188	923
8,850	8,900	1,019	750	1,199	933
8,900	8,950	1,029	758	1,210	943
8,950	9,000	1,038	766	1,221	953
9,000					
9,000	9,050	1,048	774	1,232	963
9,050	9,100	1,057	782	1,243	973
9,100	9,150	1,067	790	1,254	983
9,150	9,200	1,076	798	1,265	993
9,200	9,250	1,086	806	1,276	1,003
9,250	9,300	1,095	814	1,287	1,013
9,300	9,350	1,105	822	1,298	1,023
9,350	9,400	1,114	830	1,309	1,033
9,400	9,450	1,124	838	1,320	1,043
9,450	9,500	1,133	846	1,331	1,053
9,500	9,550	1,143	854	1,342	1,063
9,550	9,600	1,152	862	1,353	1,073
9,600	9,650	1,162	870	1,364	1,083
9,650	9,700	1,171	878	1,375	1,093
9,700	9,750	1,181	886	1,386	1,103
9,750	9,800	1,190	894	1,397	1,113
9,800	9,850	1,200	902	1,408	1,123
9,850	9,900	1,209	910	1,419	1,133
9,900	9,950	1,219	918	1,430	1,143
9,950	10,000	1,228	926	1,441	1,153
10,000					
10,000	10,050	1,238	934	1,452	1,163
10,050	10,100	1,247	942	1,463	1,173
10,100	10,150	1,257	950	1,475	1,183
10,150	10,200	1,266	958	1,487	1,193
10,200	10,250	1,276	966	1,500	1,203
10,250	10,300	1,285	974	1,512	1,213
10,300	10,350	1,295	982	1,525	1,223
10,350	10,400	1,304	990	1,537	1,233
10,400	10,450	1,314	998	1,550	1,243
10,450	10,500	1,323	1,006	1,562	1,253
10,500	10,550	1,333	1,014	1,575	1,263
10,550	10,600	1,342	1,022	1,587	1,273
10,600	10,650	1,352	1,030	1,600	1,283
10,650	10,700	1,361	1,038	1,612	1,293
10,700	10,750	1,371	1,046	1,625	1,303
10,750	10,800	1,380	1,054	1,637	1,313
10,800	10,850	1,391	1,062	1,650	1,323
10,850	10,900	1,402	1,070	1,662	1,333
10,900	10,950	1,413	1,078	1,675	1,343
10,950	11,000	1,424	1,086	1,687	1,353
11,000					
11,000	11,050	1,435	1,094	1,700	1,363
11,050	11,100	1,446	1,102	1,712	1,373
11,100	11,150	1,457	1,110	1,725	1,383
11,150	11,200	1,468	1,118	1,737	1,393
11,200	11,250	1,479	1,126	1,750	1,403
11,250	11,300	1,490	1,134	1,762	1,413
11,300	11,350	1,501	1,142	1,775	1,423
11,350	11,400	1,512	1,150	1,787	1,433
11,400	11,450	1,523	1,158	1,800	1,443
11,450	11,500	1,534	1,166	1,812	1,453
11,500	11,550	1,545	1,174	1,825	1,463
11,550	11,600	1,556	1,182	1,837	1,473
11,600	11,650	1,567	1,190	1,850	1,483
11,650	11,700	1,578	1,198	1,862	1,493
11,700	11,750	1,589	1,206	1,875	1,503
11,750	11,800	1,600	1,214	1,887	1,513
11,800	11,850	1,611	1,222	1,900	1,524
11,850	11,900	1,622	1,230	1,912	1,535
11,900	11,950	1,633	1,239	1,925	1,546
11,950	12,000	1,644	1,248	1,937	1,557
12,000					
12,000	12,050	1,655	1,258	1,950	1,568
12,050	12,100	1,666	1,267	1,962	1,579
12,100	12,150	1,677	1,277	1,975	1,590
12,150	12,200	1,688	1,286	1,987	1,601
12,200	12,250	1,699	1,296	2,000	1,612
12,250	12,300	1,710	1,305	2,012	1,623
12,300	12,350	1,721	1,315	2,026	1,634
12,350	12,400	1,732	1,324	2,040	1,645
12,400	12,450	1,743	1,334	2,055	1,656
12,450	12,500	1,754	1,343	2,069	1,667
12,500	12,550	1,765	1,353	2,084	1,678
12,550	12,600	1,776	1,362	2,098	1,689
12,600	12,650	1,787	1,372	2,113	1,700
12,650	12,700	1,798	1,381	2,127	1,711
12,700	12,750	1,809	1,391	2,142	1,722
12,750	12,800	1,820	1,400	2,156	1,733
12,800	12,850	1,831	1,410	2,171	1,744
12,850	12,900	1,842	1,419	2,185	1,755
12,900	12,950	1,853	1,429	2,200	1,766
12,950	13,000	1,864	1,438	2,214	1,777
13,000					
13,000	13,050	1,876	1,448	2,229	1,788
13,050	13,100	1,887	1,457	2,243	1,799
13,100	13,150	1,899	1,467	2,258	1,810
13,150	13,200	1,910	1,476	2,272	1,821
13,200	13,250	1,922	1,486	2,287	1,832
13,250	13,300	1,933	1,495	2,301	1,843
13,300	13,350	1,945	1,505	2,316	1,854
13,350	13,400	1,956	1,514	2,330	1,865
13,400	13,450	1,968	1,524	2,345	1,876
13,450	13,500	1,979	1,533	2,359	1,887
13,500	13,550	1,991	1,543	2,374	1,898
13,550	13,600	2,002	1,552	2,388	1,909
13,600	13,650	2,014	1,562	2,403	1,920
13,650	13,700	2,025	1,571	2,417	1,931
13,700	13,750	2,037	1,581	2,432	1,942
13,750	13,800	2,048	1,590	2,446	1,953
13,800	13,850	2,060	1,600	2,461	1,964
13,850	13,900	2,071	1,609	2,475	1,975
13,900	13,950	2,083	1,619	2,490	1,986
13,950	14,000	2,094	1,628	2,504	1,997
14,000					
14,000	14,050	2,106	1,638	2,519	2,008
14,050	14,100	2,117	1,647	2,533	2,019
14,100	14,150	2,129	1,657	2,548	2,030
14,150	14,200	2,140	1,666	2,562	2,041
14,200	14,250	2,152	1,676	2,577	2,052
14,250	14,300	2,163	1,685	2,591	2,063
14,300	14,350	2,175	1,695	2,606	2,074
14,350	14,400	2,186	1,704	2,620	2,085
14,400	14,450	2,198	1,714	2,635	2,096
14,450	14,500	2,209	1,723	2,649	2,107
14,500	14,550	2,221	1,733	2,664	2,118
14,550	14,600	2,232	1,742	2,678	2,129
14,600	14,650	2,244	1,752	2,693	2,140
14,650	14,700	2,255	1,761	2,707	2,151
14,700	14,750	2,267	1,771	2,722	2,162
14,750	14,800	2,278	1,780	2,736	2,173
14,800	14,850	2,290	1,790	2,751	2,184
14,850	14,900	2,301	1,799	2,765	2,195
14,900	14,950	2,313	1,809	2,780	2,206
14,950	15,000	2,324	1,818	2,795	2,217
15,000					
15,000	15,050	2,337	1,828	2,812	2,228
15,050	15,100	2,350	1,837	2,828	2,239
15,100	15,150	2,364	1,847	2,845	2,251
15,150	15,200	2,377	1,856	2,861	2,262
15,200	15,250	2,391	1,866	2,878	2,274
15,250	15,300	2,404	1,875	2,894	2,285
15,300	15,350	2,418	1,885	2,911	2,297
15,350	15,400	2,431	1,894	2,927	2,308
15,400	15,450	2,445	1,904	2,944	2,320
15,450	15,500	2,458	1,913	2,960	2,331
15,500	15,550	2,472	1,923	2,977	2,343
15,550	15,600	2,485	1,932	2,993	2,354
15,600	15,650	2,499	1,942	3,010	2,366
15,650	15,700	2,512	1,951	3,026	2,377
15,700	15,750	2,526	1,961	3,043	2,389
15,750	15,800	2,539	1,970	3,059	2,400
15,800	15,850	2,553	1,980	3,076	2,412
15,850	15,900	2,566	1,989	3,092	2,423
15,900	15,950	2,580	1,999	3,109	2,435
15,950	16,000	2,593	2,008	3,125	2,446
16,000					
16,000	16,050	2,607	2,019	3,142	2,458
16,050	16,100	2,620	2,030	3,158	2,469
16,100	16,150	2,634	2,041	3,175	2,481
16,150	16,200	2,647	2,052	3,191	2,492
16,200	16,250	2,661	2,063	3,208	2,504

Continued on next page

If 1040A, line 16, OR 1040EZ, line 7 is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
16,250	16,300	2,674	2,074	3,224	2,515
16,300	16,350	2,688	2,085	3,241	2,527
16,350	16,400	2,701	2,096	3,257	2,538
16,400	16,450	2,715	2,107	3,274	2,550
16,450	16,500	2,728	2,118	3,290	2,561
16,500	16,550	2,742	2,129	3,307	2,573
16,550	16,600	2,755	2,140	3,323	2,584
16,600	16,650	2,769	2,151	3,340	2,596
16,650	16,700	2,782	2,162	3,356	2,607
16,700	16,750	2,796	2,173	3,373	2,619
16,750	16,800	2,809	2,184	3,389	2,630
16,800	16,850	2,823	2,195	3,406	2,642
16,850	16,900	2,836	2,206	3,422	2,653
16,900	16,950	2,850	2,217	3,439	2,665
16,950	17,000	2,863	2,228	3,455	2,676
17,000					
17,000	17,050	2,877	2,239	3,472	2,688
17,050	17,100	2,890	2,250	3,488	2,699
17,100	17,150	2,904	2,261	3,505	2,711
17,150	17,200	2,917	2,272	3,521	2,722
17,200	17,250	2,931	2,283	3,538	2,734
17,250	17,300	2,944	2,294	3,554	2,745
17,300	17,350	2,958	2,305	3,571	2,757
17,350	17,400	2,971	2,316	3,587	2,768
17,400	17,450	2,985	2,327	3,604	2,780
17,450	17,500	2,998	2,338	3,620	2,791
17,500	17,550	3,012	2,349	3,637	2,803
17,550	17,600	3,025	2,360	3,653	2,814
17,600	17,650	3,039	2,371	3,671	2,826
17,650	17,700	3,052	2,382	3,691	2,837
17,700	17,750	3,066	2,393	3,710	2,849
17,750	17,800	3,079	2,404	3,730	2,860
17,800	17,850	3,093	2,415	3,749	2,872
17,850	17,900	3,106	2,426	3,769	2,883
17,900	17,950	3,120	2,437	3,788	2,895
17,950	18,000	3,133	2,448	3,808	2,906
18,000					
18,000	18,050	3,147	2,459	3,827	2,918
18,050	18,100	3,160	2,470	3,847	2,929
18,100	18,150	3,174	2,481	3,866	2,941
18,150	18,200	3,187	2,492	3,886	2,952
18,200	18,250	3,202	2,503	3,905	2,965
18,250	18,300	3,217	2,514	3,925	2,979
18,300	18,350	3,233	2,525	3,944	2,993
18,350	18,400	3,248	2,536	3,964	3,007
18,400	18,450	3,264	2,547	3,983	3,021
18,450	18,500	3,279	2,558	4,003	3,035
18,500	18,550	3,295	2,569	4,022	3,049
18,550	18,600	3,310	2,580	4,042	3,063
18,600	18,650	3,326	2,591	4,061	3,077
18,650	18,700	3,341	2,602	4,081	3,091
18,700	18,750	3,357	2,613	4,100	3,105
18,750	18,800	3,372	2,624	4,120	3,119
18,800	18,850	3,388	2,635	4,139	3,133
18,850	18,900	3,403	2,646	4,159	3,147
18,900	18,950	3,419	2,657	4,178	3,161
18,950	19,000	3,434	2,668	4,198	3,175

If 1040A, line 16, OR 1040EZ, line 7 is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
19,000					
19,000	19,050	3,450	2,679	4,217	3,189
19,050	19,100	3,465	2,690	4,237	3,203
19,100	19,150	3,481	2,701	4,256	3,217
19,150	19,200	3,496	2,712	4,276	3,231
19,200	19,250	3,512	2,723	4,295	3,245
19,250	19,300	3,527	2,734	4,315	3,259
19,300	19,350	3,543	2,745	4,334	3,273
19,350	19,400	3,558	2,756	4,354	3,287
19,400	19,450	3,574	2,767	4,373	3,301
19,450	19,500	3,589	2.778	4,393	3,315
19,500	19,550	3,605	2,789	4,412	3,329
19,550	19,600	3,620	2,800	4,432	3,343
19,600	19,650	3,636	2,811	4,451	3,357
19,650	19,700	3,651	2,822	4,471	3,371
19,700	19,750	3,667	2,833	4,490	3,385
19,750	19,800	3,682	2,844	4,510	3,399
19,800	19,850	3,698	2,855	4,529	3,413
19,850	19,900	3,713	2,866	4,549	3,427
19,900	19,950	3,729	2,877	4,568	3,441
19,950	20,000	3,744	2,888	4,588	3,455
20,000					
20,000	20,050	3,760	2,899	4,607	3,469
20,050	20,100	3,775	2,910	4,627	3,483
20,100	20,150	3,791	2,921	4,646	3,497
20,150	20,200	3,806	2,932	4,666	3,511
20,200	20,250	3,822	2,943	4,685	3,525
20,250	20,300	3,837	2,956	4,705	3,539
20,300	20,350	3,853	2,968	4,724	3,553
20,350	20,400	3,868	2,981	4,744	3,567
20,400	20,450	3,884	2,993	4,763	3,581
20,450	20,500	3,899	3,006	4,783	3,595
20,500	20,550	3,915	3,018	4,802	3,609
20,550	20,600	3,930	3,031	4,822	3,623
20,600	20,650	3,946	3,043	4,841	3,637
20,650	20,700	3,961	3,056	4,861	3,651
20,700	20,750	3,977	3,068	4,880	3,665
20,750	20,800	3,992	3,081	4,900	3,679
20,800	20,850	4,008	3,093	4,919	3,693
20,850	20,900	4,023	3,106	4,939	3,707
20,900	20,950	4,039	3,118	4,958	3,721
20,950	21,000	4,054	3,131	4,978	3,735
21,000					
21,000	21,050	4,070	3,143	4,997	3,749
21,050	21,100	4,085	3,156	5,017	3,763
21,100	21,150	4,101	3,168	5,036	3,777
21,150	21,200	4,116	3,181	5,056	3,791
21,200	21,250	4,132	3,193	5,075	3,805
21,250	21,300	4,147	3,206	5,095	3,819
21,300	21,350	4,163	3,218	5,114	3,833
21,350	21,400	4,178	3,231	5,134	3,847
21,400	21,450	4,194	3,243	5,153	3,861
21,450	21,500	4,209	3,256	5,173	3,875
21,500	21,550	4,225	3,268	5,192	3,889
21,550	21,600	4,240	3,281	5,212	3,903
21,600	21,650	4,256	3,293	5,231	3,917
21,650	21,700	4,271	3,306	5,251	3,931
21,700	21,750	4,287	3,318	5,270	3,945

If 1040A, line 16, OR 1040EZ, line 7 is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
21,750	21,800	4,302	3,331	5,290	3,959
21,800	21,850	4,318	3,343	5,309	3,973
21,850	21,900	4,333	3,356	5,329	3,987
21,900	21,950	4,349	3,368	5,348	4,001
21,950	22,000	4,364	3,381	5,368	4,015
22,000					
22,000	22,050	4,380	3,393	5,387	4,029
22,050	22,100	4,395	3,406	5,407	4,043
22,100	22,150	4,411	3,418	5,426	4,057
22,150	22,200	4,426	3,431	5,446	4,071
22,200	22,250	4,442	3,443	5,465	4,085
22,250	22,300	4,457	3,456	5,485	4,099
22,300	22,350	4,473	3,468	5,504	4,113
22,350	22,400	4,488	3,481	5,524	4,127
22,400	22,450	4,504	3,493	5,543	4,141
22,450	22,500	4,519	3,506	5,563	4,155
22,500	22,550	4,535	3,518	5,582	4,169
22,550	22,600	4,550	3,531	5,602	4,183
22,600	22,650	4,566	3,543	5,621	4,197
22,650	22,700	4,581	3,556	5,641	4,211
22,700	22,750	4,597	3,568	5,660	4,225
22,750	22,800	4,612	3,581	5,680	4,239
22,800	22,850	4,628	3,593	5,699	4,253
22,850	22,900	4,643	3,606	5,719	4,267
22,900	22,950	4,659	3,618	5,740	4,281
22,950	23,000	4,674	3,631	5,762	4,295
23,000					
23,000	23,050	4,690	3,643	5,784	4,309
23,050	23,100	4,705	3,656	5,806	4,323
23,100	23,150	4,721	3,668	5,828	4,337
23,150	23,200	4,736	3,681	5,850	4,351
23,200	23,250	4,752	3,693	5,872	4,365
23,250	23,300	4,767	3,706	5,894	4,379
23,300	23,350	4,783	3,718	5,916	4,393
23,350	23,400	4,798	3,731	5,938	4,407
23,400	23,450	4,814	3,743	5,960	4,421
23,450	23,500	4,829	3,756	5,982	4,435
23,500	23,550	4,846	3,768	6,004	4,450
23,550	23,600	4,863	3,781	6,026	4,466
23,600	23,650	4,881	3,793	6,048	4,482
23,650	23,700	4,898	3,806	6,070	4,498
23,700	23,750	4,916	3,818	6,092	4,514
23,750	23,800	4,933	3,831	6,114	4,530
23,800	23,850	4,951	3,843	6,136	4,546
23,850	23,900	4,968	3,856	6,158	4,562
23,900	23,950	4,986	3,868	6,180	4,578
23,950	24,000	5,003	3,881	6,202	4,594
24,000					
24,000	24,050	5,021	3,893	6,224	4,610
24,050	24,100	5,038	3,906	6,246	4,626
24,100	24,150	5,056	3,918	6,268	4,642
24,150	24,200	5,073	3,931	6,290	4,658
24,200	24,250	5,091	3,943	6,312	4,674
24,250	24,300	5,108	3,956	6,334	4,690
24,300	24,350	5,126	3,968	6,356	4,706
24,350	24,400	5,143	3,981	6,378	4,722
24,400	24,450	5,161	3,993	6,400	4,738
24,450	24,500	5,178	4,006	6,422	4,754

Continued on next page

If 1040A, line 16, OR 1040EZ, line 7 is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
24,500	24,550	5,196	4,018	6,444	4,770
24,550	24,600	5,213	4,031	6,466	4,786
24,600	24,650	5,231	4,044	6,488	4,802
24,650	24,700	5,248	4,059	6,510	4,818
24,700	24,750	5,266	4,073	6,532	4,834
24,750	24,800	5,283	4,088	6,554	4,850
24,800	24,850	5,301	4,102	6,576	4,866
24,850	24,900	5,318	4,117	6,598	4,882
24,900	24,950	5,336	4,131	6,620	4,898
24,950	25,000	5,353	4,146	6,642	4,914
25,000					
25,000	25,050	5,371	4,160	6,664	4,930
25,050	25,100	5,388	4,175	6,686	4,946
25,100	25,150	5,406	4,189	6,708	4,962
25,150	25,200	5,423	4,204	6,730	4,978
25,200	25,250	5,441	4,218	6,752	4,994
25,250	25,300	5,458	4,233	6,774	5,010
25,300	25,350	5,476	4,247	6,796	5,026
25,350	25,400	5,493	4,262	6,818	5,042
25,400	25,450	5,511	4,276	6,840	5,058
25,450	25,500	5,528	4,291	6,862	5,074
25,500	25,550	5,546	4,305	6,884	5,090
25,550	25,600	5,563	4,320	6,906	5,106
25,600	25,650	5,581	4,334	6,928	5,122
25,650	25,700	5,598	4,349	6,950	5,138
25,700	25,750	5,616	4,363	6,972	5,154
25,750	25,800	5,633	4,378	6,994	5,170
25,800	25,850	5,651	4,392	7,016	5,186
25,850	25,900	5,668	4,407	7,038	5,202
25,900	25,950	5,686	4,421	7,060	5,218
25,950	26,000	5,703	4,436	7,082	5,234
26,000					
26,000	26,050	5,721	4,450	7,104	5,250
26,050	26,100	5,738	4,465	7,126	5,266
26,100	26,150	5,756	4,479	7,148	5,282
26,150	26,200	5,773	4,494	7,170	5,298
26,200	26,250	5,791	4,508	7,192	5,314
26,250	26,300	5,808	4,523	7,214	5,330
26,300	26,350	5,826	4,537	7,236	5,346
26,350	26,400	5,843	4,552	7,258	5,362
26,400	26,450	5,861	4,566	7,280	5,378
26,450	26,500	5,878	4,581	7,302	5,394
26,500	26,550	5,896	4,595	7,324	5,410
26,550	26,600	5,913	4,610	7,346	5,426
26,600	26,650	5,931	4,624	7,368	5,442
26,650	26,700	5,948	4,639	7,390	5,458
26,700	26,750	5,966	4,653	7,412	5,474
26,750	26,800	5,983	4,668	7,434	5,490
26,800	26,850	6,001	4,682	7,456	5,506
26,850	26,900	6,018	4,697	7,478	5,522
26,900	26,950	6,036	4,711	7,500	5,538
26,950	27,000	6,053	4,726	7,522	5,554
27,000					
27,000	27,050	6,071	4,740	7,544	5,570
27,050	27,100	6,088	4,755	7,566	5,586
27,100	27,150	6,106	4,769	7,588	5,602
27,150	27,200	6,123	4,784	7,610	5,618
27,200	27,250	6,141	4,798	7,632	5,634
27,250	27,300	6,158	4,813	7,654	5,650
27,300	27,350	6,176	4,827	7,676	5,666
27,350	27,400	6,193	4,842	7,698	5,682
27,400	27,450	6,211	4,856	7,720	5,698
27,450	27,500	6,228	4,871	7,742	5,714
27,500	27,550	6,246	4,885	7,764	5,730
27,550	27,600	6,263	4,900	7,786	5,746
27,600	27,650	6,281	4,914	7,808	5,762
27,650	27,700	6,298	4,929	7,830	5,778
27,700	27,750	6,316	4,943	7,852	5,794
27,750	27,800	6,333	4,958	7,874	5,810
27,800	27,850	6,351	4,972	7,896	5,826
27,850	27,900	6,368	4,987	7,918	5,842
27,900	27,950	6,386	5,001	7,940	5,858
27,950	28,000	6,403	5,016	7,962	5,874
28,000					
28,000	28,050	6,421	5,030	7,984	5,890
28,050	28,100	6,438	5,045	8,006	5,906
28,100	28,150	6,456	5,059	8,028	5,922
28,150	28,200	6,473	5,074	8,050	5,938
28,200	28,250	6,491	5,088	8,072	5,954
28,250	28,300	6,508	5,103	8,094	5,970
28,300	28,350	6,526	5,117	8,116	5,986
28,350	28,400	6,543	5,132	8,138	6,002
28,400	28,450	6,561	5,146	8,160	6,018
28,450	28,500	6,578	5,161	8,182	6,034
28,500	28,550	6,596	5,175	8,204	6,050
28,550	28,600	6,613	5,190	8,226	6,066
28,600	28,650	6,631	5,204	8,248	6,082
28,650	28,700	6,648	5,219	8,270	6,098
28,700	28,750	6,666	5,233	8,292	6,114
28,750	28,800	6,683	5,248	8,314	6,130
28,800	28,850	6,702	5,262	8,336	6,148
28,850	28,900	6,722	5,277	8,358	6,167
28,900	28,950	6,742	5,291	8,380	6,186
28,950	29,000	6,762	5,306	8,402	6,205
29,000					
29,000	29,050	6,782	5,320	8,424	6,224
29,050	29,100	6,802	5,335	8,446	6,243
29,100	29,150	6,822	5,349	8,468	6,262
29,150	29,200	6,842	5,364	8,490	6,281
29,200	29,250	6,862	5,378	8,512	6,300
29,250	29,300	6,882	5,393	8,534	6,319
29,300	29,350	6,902	5,407	8,556	6,338
29,350	29,400	6,922	5,422	8,578	6,357
29,400	29,450	6,942	5,436	8,600	6,376
29,450	29,500	6,962	5,451	8,622	6,395
29,500	29,550	6,982	5,465	8,644	6,414
29,550	29,600	7,002	5,480	8,666	6,433
29,600	29,650	7,022	5,494	8,688	6,452
29,650	29,700	7,042	5,509	8,710	6,471
29,700	29,750	7,062	5,523	8,732	6,490
29,750	29,800	7,082	5,538	8,754	6,509
29,800	29,850	7,102	5,552	8,776	6,528
29,850	29,900	7,122	5,567	8,798	6,547
29,900	29,950	7,142	5,582	8,820	6,566
29,950	30,000	7,162	5,599	8,842	6,585
30,000					
30,000	30,050	7,182	5,615	8,865	6,604
30,050	30,100	7,202	5,632	8,889	6,623
30,100	30,150	7,222	5,648	8,914	6,642
30,150	30,200	7,242	5,665	8,938	6,661
30,200	30,250	7,262	5,681	8,963	6,680
30,250	30,300	7,282	5,698	8,987	6,699
30,300	30,350	7,302	5,714	9,012	6,718
30,350	30,400	7,322	5,731	9,036	6,737
30,400	30,450	7,342	5,747	9,061	6,756
30,450	30,500	7,362	5,764	9,085	6,775
30,500	30,550	7,382	5,780	9,110	6,794
30,550	30,600	7,402	5,797	9,134	6,813
30,600	30,650	7,422	5,813	9,159	6,832
30,650	30,700	7,442	5,830	9,183	6,851
30,700	30,750	7,462	5,846	9,208	6,870
30,750	30,800	7,482	5,863	9,232	6,889
30,800	30,850	7,502	5,879	9,257	6,908
30,850	30,900	7,522	5,896	9,281	6,927
30,900	30,950	7,542	5,912	9,306	6,946
30,950	31,000	7,562	5,929	9,330	6,965
31,000					
31,000	31,050	7,582	5,945	9,355	6,984
31,050	31,100	7,602	5,962	9,379	7,003
31,100	31,150	7,622	5,978	9,404	7,022
31,150	31,200	7,642	5,995	9,428	7,041
31,200	31,250	7,662	6,011	9,453	7,060
31,250	31,300	7,682	6,028	9,477	7,079
31,300	31,350	7,702	6,044	9,502	7,098
31,350	31,400	7,722	6,061	9,526	7,117
31,400	31,450	7,742	6,077	9,551	7,136
31,450	31,500	7,762	6,094	9,575	7,155
31,500	31,550	7,782	6,110	9,600	7,174
31,550	31,600	7,802	6,127	9,624	7,193
31,600	31,650	7,822	6,143	9,649	7,212
31,650	31,700	7,842	6,160	9,673	7,231
31,700	31,750	7,862	6,176	9,698	7,250
31,750	31,800	7,882	6,193	9,722	7,269
31,800	31,850	7,902	6,209	9,747	7,288
31,850	31,900	7,922	6,226	9,771	7,307
31,900	31,950	7,942	6,242	9,796	7,326
31,950	32,000	7,962	6,259	9,820	7,345
32,000					
32,000	32,050	7,982	6,275	9,845	7,364
32,050	32,100	8,002	6,292	9,869	7,383
32,100	32,150	8,022	6,308	9,894	7,402
32,150	32,200	8,042	6,325	9,918	7,421
32,200	32,250	8,062	6,341	9,943	7,440
32,250	32,300	8,082	6,358	9,967	7,459
32,300	32,350	8,102	6,374	9,992	7,478
32,350	32,400	8,122	6,391	10,016	7,497
32,400	32,450	8,142	6,407	10,041	7,516
32,450	32,500	8,162	6,424	10,065	7,535
32,500	32,550	8,182	6,440	10,090	7,554
32,550	32,600	8,202	6,457	10,114	7,573
32,600	32,650	8,222	6,473	10,139	7,592
32,650	32,700	8,242	6,490	10,163	7,611
32,700	32,750	8,262	6,506	10,188	7,630

Continued on next page

If 1040A, line 16, OR 1040EZ, line 7 is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
32,750	32,800	8,282	6,523	10,212	7,649
32,800	32,850	8,302	6,539	10,237	7,668
32,850	32,900	8,322	6,556	10,261	7,687
32,900	32,950	8,342	6,572	10,286	7,706
32,950	33,000	8,362	6,589	10,310	7,725
33,000					
33,000	33,050	8,382	6,605	10,335	7,744
33,050	33,100	8,402	6,622	10,359	7,763
33,100	33,150	8,422	6,638	10,384	7,782
33,150	33,200	8,442	6,655	10,408	7,801
33,200	33,250	8,462	6,671	10,433	7,820
33,250	33,300	8,482	6,688	10,457	7,839
33,300	33,350	8,502	6,704	10,482	7,858
33,350	33,400	8,522	6,721	10,506	7,877
33,400	33,450	8,542	6,737	10,531	7,896
33,450	33,500	8,562	6,754	10,555	7,915
33,500	33,550	8,582	6,770	10,580	7,934
33,550	33,600	8,602	6,787	10,604	7,953
33,600	33,650	8,622	6,803	10,629	7,972
33,650	33,700	8,642	6,820	10,653	7,991
33,700	33,750	8,662	6,836	10,678	8,010
33,750	33,800	8,682	6,853	10,702	8,029
33,800	33,850	8,702	6,869	10,727	8,048
33,850	33,900	8,722	6,886	10,751	8,067
33,900	33,950	8,742	6,902	10,776	8,086
33,950	34,000	8,762	6,919	10,800	8,105
34,000					
34,000	34,050	8,782	6,935	10,825	8,124
34,050	34,100	8,802	6,952	10,849	8,143
34,100	34,150	8,823	6,968	10,874	8,162
34,150	34,200	8,845	6,985	10,898	8,183
34,200	34,250	8,867	7,001	10,923	8,203
34,250	34,300	8,889	7,018	10,947	8,224
34,300	34,350	8,911	7,034	10,972	8,244
34,350	34,400	8,933	7,051	10,996	8,265
34,400	34,450	8,955	7,067	11,021	8,285
34,450	34,500	8,977	7,084	11,045	8,306
34,500	34,550	8,999	7,100	11,070	8,326
34,550	34,600	9,021	7,117	11,094	8,347
34,600	34,650	9,043	7,133	11,119	8,367
34,650	34,700	9,065	7,150	11,143	8,388
34,700	34,750	9,087	7,166	11,168	8,408
34,750	34,800	9,109	7,183	11,192	8,429
34,800	34,850	9,131	7,199	11,217	8,449
34,850	34,900	9,153	7,216	11,241	8,470
34,900	34,950	9,175	7,232	11,266	8,490
34,950	35,000	9,197	7,249	11,290	8,511
35,000					
35,000	35,050	9,219	7,265	11,315	8,531
35,050	35,100	9,241	7,282	11,339	8,552
35,100	35,150	9,263	7,298	11,364	8,572
35,150	35,200	9,285	7,315	11,388	8,593
35,200	35,250	9,307	7,333	11,413	8,613
35,250	35,300	9,329	7,352	11,437	8,634
35,300	35,350	9,351	7,372	11,462	8,654
35,350	35,400	9,373	7,391	11,486	8,675
35,400	35,450	9,395	7,411	11,511	8,695
35,450	35,500	9,417	7,430	11,535	8,716
35,500	35,550	9,439	7,450	11,560	8,736
35,550	35,600	9,461	7,469	11,584	8,757
35,600	35,650	9,483	7,489	11,609	8,777
35,650	35,700	9,505	7,508	11,633	8,798
35,700	35,750	9,527	7,528	11,658	8,818
35,750	35,800	9,549	7,547	11,682	8,839
35,800	35,850	9,571	7,567	11,707	8,859
35,850	35,900	9,593	7,586	11,731	8,880
35,900	35,950	9,615	7,606	11,756	8,900
35,950	36,000	9,637	7,625	11,780	8,921
36,000					
36,000	36,050	9,659	7,645	11,805	8,941
36,050	36,100	9,681	7,664	11,829	8,962
36,100	36,150	9,703	7,684	11,854	8,982
36,150	36,200	9,725	7,703	11,878	9,003
36,200	36,250	9,747	7,723	11,903	9,023
36,250	36,300	9,769	7,742	11,927	9,044
36,300	36,350	9,791	7,762	11,952	9,064
36,350	36,400	9,813	7,781	11,976	9,085
36,400	36,450	9,835	7,801	12,001	9,105
36,450	36,500	9,857	7,820	12,025	9,126
36,500	36,550	9,879	7,840	12,050	9,146
36,550	36,600	9,901	7,859	12,074	9,167
36,600	36,650	9,923	7,879	12,099	9,187
36,650	36,700	9,945	7,898	12,123	9,208
36,700	36,750	9,967	7,918	12,148	9,228
36,750	36,800	9,989	7,937	12,172	9,249
36,800	36,850	10,011	7,957	12,197	9,269
36,850	36,900	10,033	7,976	12,221	9,290
36,900	36,950	10,055	7,996	12,246	9,310
36,950	37,000	10,077	8,015	12,270	9,331
37,000					
37,000	37,050	10,099	8,035	12,295	9,351
37,050	37,100	10,121	8,054	12,319	9,372
37,100	37,150	10,143	8,074	12,344	9,392
37,150	37,200	10,165	8,093	12,368	9,413
37,200	37,250	10,187	8,113	12,393	9,433
37,250	37,300	10,209	8,132	12,417	9,454
37,300	37,350	10,231	8,152	12,442	9,474
37,350	37,400	10,253	8,171	12,466	9,495
37,400	37,450	10,275	8,191	12,491	9,515
37,450	37,500	10,297	8,210	12,515	9,536
37,500	37,550	10,319	8,230	12,540	9,556
37,550	37,600	10,341	8,249	12,564	9,577
37,600	37,650	10,363	8,269	12,589	9,597
37,650	37,700	10,385	8,288	12,613	9,618
37,700	37,750	10,407	8,308	12,638	9,638
37,750	37,800	10,429	8,327	12,662	9,659
37,800	37,850	10,451	8,347	12,687	9,679
37,850	37,900	10,473	8,366	12,711	9,700
37,900	37,950	10,495	8,386	12,736	9,720
37,950	38,000	10,517	8,405	12,760	9,741
38,000					
38,000	38,050	10,539	8,425	12,785	9,761
38,050	38,100	10,561	8,444	12,809	9,782
38,100	38,150	10,583	8,464	12,834	9,802
38,150	38,200	10,605	8,483	12,858	9,823
38,200	38,250	10,627	8,503	12,883	9,843
38,250	38,300	10,649	8,522	12,907	9,864
38,300	38,350	10,671	8,542	12,932	9,884
38,350	38,400	10,693	8,561	12,956	9,905
38,400	38,450	10,715	8,581	12,981	9,925
38,450	38,500	10,737	8,600	13,005	9,946
38,500	38,550	10,759	8,620	13,030	9,966
38,550	38,600	10,781	8,639	13,054	9,987
38,600	38,650	10,803	8,659	13,079	10,007
38,650	38,700	10,825	8,678	13,103	10,028
38,700	38,750	10,847	8,698	13,128	10,048
38,750	38,800	10,869	8,717	13,152	10,069
38,800	38,850	10,891	8,737	13,177	10,089
38,850	38,900	10,913	8,756	13,201	10,110
38,900	38,950	10,935	8,776	13,226	10,130
38,950	39,000	10,957	8,795	13,250	10,151
39,000					
39,000	39,050	10,979	8,815	13,275	10,171
39,050	39,100	11,001	8,834	13,299	10,192
39,100	39,150	11,023	8,854	13,324	10,212
39,150	39,200	11,045	8,873	13,348	10,233
39,200	39,250	11,067	8,893	13,373	10,253
39,250	39,300	11,089	8,912	13,397	10,274
39,300	39,350	11,111	8,932	13,422	10,294
39,350	39,400	11,133	8,951	13,446	10,315
39,400	39,450	11,155	8,971	13,471	10,335
39,450	39,500	11,177	8,990	13,495	10,356
39,500	39,550	11,199	9,010	13,520	10,376
39,550	39,600	11,221	9,029	13,544	10,397
39,600	39,650	11,243	9,049	13,569	10,417
39,650	39,700	11,265	9,068	13,593	10,438
39,700	39,750	11,287	9,088	13,618	10,458
39,750	39,800	11,309	9,107	13,642	10,479
39,800	39,850	11,331	9,127	13,667	10,499
39,850	39,900	11,353	9,146	13,691	10,520
39,900	39,950	11,375	9,166	13,716	10,540
39,950	40,000	11,397	9,185	13,740	10,561
40,000					
40,000	40,050	11,419	9,205	13,765	10,581
40,050	40,100	11,441	9,224	13,789	10,602
40,100	40,150	11,463	9,244	13,814	10,622
40,150	40,200	11,485	9,263	13,838	10,643
40,200	40,250	11,507	9,283	13,863	10,663
40,250	40,300	11,529	9,302	13,887	10,684
40,300	40,350	11,551	9,322	13,912	10,704
40,350	40,400	11,573	9,341	13,936	10,725
40,400	40,450	11,595	9,361	13,961	10,745
40,450	40,500	11,617	9,380	13,985	10,766
40,500	40,550	11,639	9,400	14,010	10,786
40,550	40,600	11,661	9,419	14,034	10,807
40,600	40,650	11,683	9,439	14,059	10,827
40,650	40,700	11,705	9,458	14,083	10,848
40,700	40,750	11,727	9,478	14,108	10,868
40,750	40,800	11,749	9,497	14,132	10,889
40,800	40,850	11,771	9,517	14,157	10,909
40,850	40,900	11,793	9,536	14,181	10,930
40,900	40,950	11,815	9,556	14,206	10,950
40,950	41,000	11,837	9,575	14,230	10,971

Continued on next page

If 1040A, line 16, OR 1040EZ, line 7 is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
41,000					
41,000	41,050	11,859	9,595	14,255	10,991
41,050	41,100	11,881	9,614	14,279	11,012
41,100	41,150	11,903	9,634	14,304	11,032
41,150	41,200	11,925	9,653	14,328	11,053
41,200	41,250	11,947	9,673	14,353	11,073
41,250	41,300	11,969	9,692	14,377	11,094
41,300	41,350	11,991	9,712	14,402	11,114
41,350	41,400	12,013	9,731	14,426	11,135
41,400	41,450	12,035	9,751	14,451	11,155
41,450	41,500	12,057	9,770	14,475	11,176
41,500	41,550	12,081	9,790	14,500	11,196
41,550	41,600	12,106	9,809	14,524	11,217
41,600	41,650	12,131	9,829	14,549	11,237
41,650	41,700	12,156	9,848	14,573	11,258
41,700	41,750	12,181	9,868	14,598	11,278
41,750	41,800	12,206	9,887	14,622	11,299
41,800	41,850	12,231	9,907	14,647	11,319
41,850	41,900	12,256	9,926	14,671	11,340
41,900	41,950	12,281	9,946	14,696	11,360
41,950	42,000	12,306	9,965	14,720	11,381
42,000					
42,000	42,050	12,331	9,985	14,745	11,401
42,050	42,100	12,356	10,004	14,769	11,422
42,100	42,150	12,381	10,024	14,794	11,442
42,150	42,200	12,406	10,043	14,818	11,463
42,200	42,250	12,431	10,063	14,843	11,483
42,250	42,300	12,456	10,082	14,867	11,504
42,300	42,350	12,481	10,102	14,892	11,524
42,350	42,400	12,506	10,121	14,916	11,545
42,400	42,450	12,531	10,141	14,941	11,565
42,450	42,500	12,556	10,160	14,965	11,586
42,500	42,550	12,581	10,180	14,990	11,606
42,550	42,600	12,606	10,199	15,014	11,627
42,600	42,650	12,631	10,219	15,039	11,647
42,650	42,700	12,656	10,238	15,063	11,668
42,700	42,750	12,681	10,258	15,088	11,688
42,750	42,800	12,706	10,277	15,112	11,709
42,800	42,850	12,731	10,297	15,137	11,729
42,850	42,900	12,756	10,316	15,162	11,750
42,900	42,950	12,781	10,336	15,187	11,770
42,950	43,000	12,806	10,355	15,212	11,791
43,000					
43,000	43,050	12,831	10,375	15,237	11,811
43,050	43,100	12,856	10,394	15,262	11,832
43,100	43,150	12,881	10,414	15,287	11,852
43,150	43,200	12,906	10,433	15,312	11,873
43,200	43,250	12,931	10,453	15,337	11,893
43,250	43,300	12,956	10,472	15,362	11,914
43,300	43,350	12,981	10,492	15,387	11,934
43,350	43,400	13,006	10,511	15,412	11,955
43,400	43,450	13,031	10,531	15,437	11,975
43,450	43,500	13,056	10,550	15,462	11,996
43,500	43,550	13,081	10,570	15,487	12,016
43,550	43,600	13,106	10,589	15,512	12,037
43,600	43,650	13,131	10,609	15,537	12,057
43,650	43,700	13,156	10,628	15,562	12,078
43,700	43,750	13,181	10,648	15,587	12,098
43,750	43,800	13,206	10,667	15,612	12,119
43,800	43,850	13,231	10,687	15,637	12,139
43,850	43,900	13,256	10,706	15,662	12,160
43,900	43,950	13,281	10,726	15,687	12,180
43,950	44,000	13,306	10,745	15,712	12,201
44,000					
44,000	44,050	13,331	10,765	15,737	12,221
44,050	44,100	13,356	10,784	15,762	12,242
44,100	44,150	13,381	10,804	15,787	12,262
44,150	44,200	13,406	10,823	15,812	12,283
44,200	44,250	13,431	10,843	15,837	12,303
44,250	44,300	13,456	10,862	15,862	12,324
44,300	44,350	13,481	10,882	15,887	12,344
44,350	44,400	13,506	10,901	15,912	12,365
44,400	44,450	13,531	10,921	15,937	12,385
44,450	44,500	13,556	10,940	15,962	12,406
44,500	44,550	13,581	10,960	15,987	12,426
44,550	44,600	13,606	10,979	16,012	12,447
44,600	44,650	13,631	10,999	16,037	12,467
44,650	44,700	13,656	11,018	16,062	12,488
44,700	44,750	13,681	11,038	16,087	12,510
44,750	44,800	13,706	11,057	16,112	12,535
44,800	44,850	13,731	11,077	16,137	12,559
44,850	44,900	13,756	11,096	16,162	12,584
44,900	44,950	13,781	11,116	16,187	12,608
44,950	45,000	13,806	11,135	16,212	12,633
45,000					
45,000	45,050	13,831	11,155	16,237	12,657
45,050	45,100	13,856	11,174	16,262	12,682
45,100	45,150	13,881	11,194	16,287	12,706
45,150	45,200	13,906	11,213	16,312	12,731
45,200	45,250	13,931	11,233	16,337	12,755
45,250	45,300	13,956	11,252	16,362	12,780
45,300	45,350	13,981	11,272	16,387	12,804
45,350	45,400	14,006	11,291	16,412	12,829
45,400	45,450	14,031	11,311	16,437	12,853
45,450	45,500	14,056	11,330	16,462	12,878
45,500	45,550	14,081	11,350	16,487	12,902
45,550	45,600	14,106	11,369	16,512	12,927
45,600	45,650	14,131	11,389	16,537	12,951
45,650	45,700	14,156	11,408	16,562	12,976
45,700	45,750	14,181	11,428	16,587	13,000
45,750	45,800	14,206	11,447	16,612	13,025
45,800	45,850	14,231	11,468	16,637	13,049
45,850	45,900	14,256	11,490	16,662	13,074
45,900	45,950	14,281	11,512	16,687	13,098
45,950	46,000	14,306	11,534	16,712	13,123
46,000					
46,000	46,050	14,331	11,556	16,737	13,147
46,050	46,100	14,356	11,578	16,762	13,172
46,100	46,150	14,381	11,600	16,787	13,196
46,150	46,200	14,406	11,622	16,812	13,221
46,200	46,250	14,431	11,644	16,837	13,245
46,250	46,300	14,456	11,666	16,862	13,270
46,300	46,350	14,481	11,688	16,887	13,294
46,350	46,400	14,506	11,710	16,912	13,319
46,400	46,450	14,531	11,732	16,937	13,343
46,450	46,500	14,556	11,754	16,962	13,368
46,500	46,550	14,581	11,776	16,987	13,392
46,550	46,600	14,606	11,798	17,012	13,417
46,600	46,650	14,631	11,820	17,037	13,441
46,650	46,700	14,656	11,842	17,062	13,466
46,700	46,750	14,681	11,864	17,087	13,490
46,750	46,800	14,706	11,886	17,112	13,515
46,800	46,850	14,731	11,908	17,137	13,539
46,850	46,900	14,756	11,930	17,162	13,564
46,900	46,950	14,781	11,952	17,187	13,588
46,950	47,000	14,806	11,974	17,212	13,613
47,000					
47,000	47,050	14,831	11,996	17,237	13,637
47,050	47,100	14,856	12,018	17,262	13,662
47,100	47,150	14,881	12,040	17,287	13,686
47,150	47,200	14,906	12,062	17,312	13,711
47,200	47,250	14,931	12,084	17,337	13,735
47,250	47,300	14,956	12,106	17,362	13,760
47,300	47,350	14,981	12,128	17,387	13,784
47,350	47,400	15,006	12,150	17,412	13,809
47,400	47,450	15,031	12,172	17,437	13,833
47,450	47,500	15,056	12,194	17,462	13,858
47,500	47,550	15,081	12,216	17,487	13,882
47,550	47,600	15,106	12,238	17,512	13,907
47,600	47,650	15,131	12,260	17,537	13,931
47,650	47,700	15,156	12,282	17,562	13,956
47,700	47,750	15,181	12,304	17,587	13,980
47,750	47,800	15,206	12,326	17,612	14,005
47,800	47,850	15,231	12,348	17,637	14,029
47,850	47,900	15,256	12,370	17,662	14,054
47,900	47,950	15,281	12,392	17,687	14,078
47,950	48,000	15,306	12,414	17,712	14,103
48,000					
48,000	48,050	15,331	12,436	17,737	14,127
48,050	48,100	15,356	12,458	17,762	14,152
48,100	48,150	15,381	12,480	17,787	14,176
48,150	48,200	15,406	12,502	17,812	14,201
48,200	48,250	15,431	12,524	17,837	14,225
48,250	48,300	15,456	12,546	17,862	14,250
48,300	48,350	15,481	12,568	17,887	14,274
48,350	48,400	15,506	12,590	17,912	14,299
48,400	48,450	15,531	12,612	17,937	14,323
48,450	48,500	15,556	12,634	17,962	14,348
48,500	48,550	15,581	12,656	17,987	14,372
48,550	48,600	15,606	12,678	18,012	14,397
48,600	48,650	15,631	12,700	18,037	14,421
48,650	48,700	15,656	12,722	18,062	14,446
48,700	48,750	15,681	12,744	18,087	14,470
48,750	48,800	15,706	12,766	18,112	14,495
48,800	48,850	15,731	12,788	18,137	14,519
48,850	48,900	15,756	12,810	18,162	14,544
48,900	48,950	15,781	12,832	18,187	14,568
48,950	49,000	15,806	12,854	18,212	14,593
49,000					
49,000	49,050	15,831	12,876	18,237	14,617
49,050	49,100	15,856	12,898	18,262	14,642
49,100	49,150	15,881	12,920	18,287	14,666
49,150	49,200	15,906	12,942	18,312	14,691
49,200	49,250	15,931	12,964	18,337	14,715
49,250	49,300	15,956	12,986	18,362	14,740
49,300	49,350	15,981	13,008	18,387	14,764
49,350	49,400	16,006	13,030	18,412	14,789
49,400	49,450	16,031	13,052	18,437	14,813
49,450	49,500	16,056	13,074	18,462	14,838
49,500	49,550	16,081	13,096	18,487	14,862
49,550	49,600	16,106	13,118	18,512	14,887
49,600	49,650	16,131	13,140	18,537	14,911
49,650	49,700	16,156	13,162	18,562	14,936
49,700	49,750	16,181	13,184	18,587	14,960
49,750	49,800	16,206	13,206	18,612	14,985
49,800	49,850	16,231	13,228	18,637	15,009
49,850	49,900	16,256	13,250	18,662	15,034
49,900	49,950	16,281	13,272	18,687	15,058
49,950	50,000	16,306	13,294	18,712	15,083

50,000 or over—use Form 1040

1982 Earned Income Credit Table

(Caution—This is not a tax table)

Read down the column titled "If line A or B of the worksheet is—" and find the appropriate amount from the Earned Income Credit Worksheet on page 21. Read across to the right and find the amount of your earned income credit. Enter that amount on line C or D of the worksheet, whichever applies.

If line A or B of the worksheet is—		Your earned income credit is—	If line A or B of the worksheet is—		Your earned income credit is—	If line A or B of the worksheet is—		Your earned income credit is—
Over	But not over		Over	But not over		Over	But not over	
$0	$50	$3	3,000	3,050	303	6,950	7,000	378
50	100	8	3,050	3,100	308	7,000	7,050	372
100	150	13	3,100	3,150	313	7,050	7,100	366
150	200	18	3,150	3,200	318	7,100	7,150	359
200	250	23	3,200	3,250	323	7,150	7,200	353
250	300	28	3,250	3,300	328	7,200	7,250	347
300	350	33	3,300	3,350	333	7,250	7,300	341
350	400	38	3,350	3,400	338	7,300	7,350	334
400	450	43	3,400	3,450	343	7,350	7,400	328
450	500	48	3,450	3,500	348	7,400	7,450	322
500	550	53	3,500	3,550	353	7,450	7,500	316
550	600	58	3,550	3,600	358	7,500	7,550	309
600	650	63	3,600	3,650	363	7,550	7,600	303
650	700	68	3,650	3,700	368	7,600	7,650	297
700	750	73	3,700	3,750	373	7,650	7,700	291
750	800	78	3,750	3,800	378	7,700	7,750	284
800	850	83	3,800	3,850	383	7,750	7,800	278
850	900	88	3,850	3,900	388	7,800	7,850	272
900	950	93	3,900	3,950	393	7,850	7,900	266
950	1,000	98	3,950	4,000	398	7,900	7,950	259
1,000	1,050	103	4,000	4,050	403	7,950	8,000	253
1,050	1,100	108	4,050	4,100	408	8,000	8,050	247
1,100	1,150	113	4,100	4,150	413	8,050	8,100	241
1,150	1,200	118	4,150	4,200	418	8,100	8,150	234
1,200	1,250	123	4,200	4,250	423	8,150	8,200	228
1,250	1,300	128	4,250	4,300	428	8,200	8,250	222
1,300	1,350	133	4,300	4,350	433	8,250	8,300	216
1,350	1,400	138	4,350	4,400	438	8,300	8,350	209
1,400	1,450	143	4,400	4,450	443	8,350	8,400	203
1,450	1,500	148	4,450	4,500	448	8,400	8,450	197
1,500	1,550	153	4,500	4,550	453	8,450	8,500	191
1,550	1,600	158	4,550	4,600	458	8,500	8,550	184
1,600	1,650	163	4,600	4,650	463	8,550	8,600	178
1,650	1,700	168	4,650	4,700	468	8,600	8,650	172
1,700	1,750	173	4,700	4,750	473	8,650	8,700	166
1,750	1,800	178	4,750	4,800	478	8,700	8,750	159
1,800	1,850	183	4,800	4,850	483	8,750	8,800	153
1,850	1,900	188	4,850	4,900	488	8,800	8,850	147
1,900	1,950	193	4,900	4,950	493	8,850	8,900	141
1,950	2,000	198	4,950	5,000	498	8,900	8,950	134
2,000	2,050	203	5,000	6,000	500	8,950	9,000	128
2,050	2,100	208	6,000	6,050	497	9,000	9,050	122
2,100	2,150	213	6,050	6,100	491	9,050	9,100	116
2,150	2,200	218	6,100	6,150	484	9,100	9,150	109
2,200	2,250	223	6,150	6,200	478	9,150	9,200	103
2,250	2,300	228	6,200	6,250	472	9,200	9,250	97
2,300	2,350	233	6,250	6,300	466	9,250	9,300	91
2,350	2,400	238	6,300	6,350	459	9,300	9,350	84
2,400	2,450	243	6,350	6,400	453	9,350	9,400	78
2,450	2,500	248	6,400	6,450	447	9,400	9,450	72
2,500	2,550	253	6,450	6,500	441	9,450	9,500	66
2,550	2,600	258	6,500	6,550	434	9,500	9,550	59
2,600	2,650	263	6,550	6,600	428	9,550	9,600	53
2,650	2,700	268	6,600	6,650	422	9,600	9,650	47
2,700	2,750	273	6,650	6,700	416	9,650	9,700	41
2,750	2,800	278	6,700	6,750	409	9,700	9,750	34
2,800	2,850	283	6,750	6,800	403	9,750	9,800	28
2,850	2,900	288	6,800	6,850	397	9,800	9,850	22
2,900	2,950	293	6,850	6,900	391	9,850	9,900	1
2,950	3,000	298	6,900	6,950	384	9,900	9,950	[illegible]
						9,950	9,999	[illegible]

Tele-Tax

For use by taxpayers using push-button telephones

In 1983, the IRS will begin a new telephone service called Tele-Tax. This service will provide recorded tax information tapes on about 140 topics covering such areas as filing requirements, dependents, itemized deductions, and tax credits. Tele-Tax is available 24 hours a day, 7 days a week, to taxpayers using push-button telephones.

Brochures, which list all the available topics and describe how to use the service, are available in many banks, and libraries.

Tele-Tax telephone numbers are listed below. If you call from outside the local dialing area of any of these numbers, you will have to pay a long distance charge.

Alabama
Birmingham 205-251-9454
Mobile 205-433-6993
Montgomery 205-262-8304

Alaska
Anchorage 907-272-2814

Arizona
Phoenix 602-261-3560

Arkansas
Little Rock 501-372-3891

California
Carson 213-632-3555
El Monte 213-571-6902
Fresno 209-268-5395
Los Angeles 213-617-3177
Oakland 415-839-4245
Sacramento 916-448-4367
San Diego 619-293-5020
San Jose 408-293-5606

Colorado
Denver 303-296-0462

Connecticut
Hartford 203-547-0015
Bridgeport 203-335-0070

Delaware
Wilmington 302-652-0272

District of Columbia
Call 202-628-2929

Florida
Jacksonville 904-353-9579
Miami 305-374-5144
Orlando 305-422-0592

Georgia
Atlanta 404-221-6572
Augusta 404-722-9068
Columbus 404-327-0298
Savannah 912-533-9632

Hawaii
Honolulu 808-546-7162

Idaho
Boise 208-383-0034

Illinois
Champaign 217-398-1779
Chicago 312-886-9614
Peoria 309-637-9305
Rockford 815-987-4280
Springfield 217-789-0489

Indiana
Evansville 812-422-1026
Gary 219-884-4465
Indianapolis 317-634-1550

Iowa
Des Moines 515-284-6117

Kansas
Wichita 316-264-3147

Kentucky
Erlanger 606-727-3338
Lexington 606-233-2889
Louisville 502-582-5599

Louisiana
New Orleans 504-529-2854

Maine
Portland 207-775-0465

Maryland
Baltimore 301-244-7306

Massachusetts
Boston 617-523-8602
Springfield 413-739-6624

Michigan
Ann Arbor 313-665-4544
Detroit 313-961-4282
Flint 313-238-4599
Grand Rapids 616-451-2034
Lansing 517-372-2454
Mt. Clemens 313-463-9550
Pontiac 313-858-2336

Minnesota
St. Paul 612-224-4288

Mississippi
Jackson 601-960-4168

Missouri
Kansas City 816-421-3741
St. Louis 314-241-4700

Montana
Billings 406-443-7034

Nebraska
Omaha 402-221-3324

Nevada
Las Vegas 702-385-1778

New Hampshire
Manchester 603-623-5778

New Jersey
Camden 609-966-3412
Newark 201-624-1223

New Mexico
Albuquerque 505-766-1102

New York
Albany District
(Eastern Upstate New York)
  Albany 518-465-8318
  Poughkeepsie 914-452-1877
Brooklyn District
  Brooklyn 212-858-4461
  Mineola 516-248-6790
  Smithtown 516-979-0720
Buffalo District
(Central and Western New York)
  Buffalo 716-856-9320
  Rochester 716-454-3330
  Syracuse 315-471-1630
Manhattan District
  Manhattan 212-406-4080
  White Plains 914-683-0134

North Carolina
Charlotte 704-371-6352
Greensboro 919-378-5172
Raleigh 919-755-1498
Winston-Salem 919-761-3136

North Dakota
Fargo 701-232-9360

Ohio
Cleveland District
  Akron 216-253-1170
  Cleveland 216-522-3037
  Toledo 419-255-3743
Cincinnati District
  Cincinnati 513-421-8050
  Columbus 614-463-1898
  Dayton 513-461-9755

Oklahoma
Oklahoma City 405-235-3434
Tulsa 918-599-0555

Oregon
Portland 503-294-5363

Pennsylvania
Erie 814-459-7419
Pittsburgh 412-281-3120
Philadelphia 215-592-8946

Rhode Island
Providence 401-861-5220

South Carolina
Charleston 803-722-0369
Columbia 803-254-4749

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Sioux Falls 605-335-7081

Tennessee
Knoxville 615-521-7478
Memphis 901-525-2611
Nashville 615-542-1541

Texas
Austin 512-479-0391
Dallas 214-767-1792
Houston 713-850-8801
San Antonio 512-680-9591

Utah
Salt Lake City 801-355-9328

Vermont
Burlington 802-658-0007

Virginia
Baileys Crossroads 703-557-0034
Norfolk 804-441-3623
Richmond 804-771-2369

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Seattle 206-343-7221

West Virginia
Charleston 304-343-3597
Huntington 304-523-0104

Wisconsin
Milwaukee 414-291-1783

Wyoming
Cheyenne 307-634-1198

Privacy Act and Paperwork Reduction Act Notice

The Privacy Act of 1974 and Paperwork Reduction Act of 1980 say that when we ask you for information we must tell you: **a.** Our legal right to ask for the information. **b.** What major purposes we have in asking for it, and how it will be used. **c.** What could happen if we do not receive it. **d.** Whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

For the Internal Revenue Service, the laws include: • Tax returns and any papers filed with them. • Any questions we need to ask you so we can: **a.** Complete, correct, or process your return. **b.** Figure your tax. **c.** Collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001 and 6011 and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Your response is mandatory under these sections. Code section 6109 and its regulations say that you must show your social security number on what you file. This is so we know who you are, and can process your return and papers. You must fill in all parts of the tax form that apply to you. But you do not have to check the boxes for the Presidential Election Campaign Fund.

We ask for tax return information to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax.

We may give the information to the Department of Justice and to other Federal agencies, as provided by law. We may also give it to States, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. And we may give it to foreign governments because of tax treaties they have with the United States.

If you do not file a return, do not provide the information we ask for, or provide fraudulent information, the law provides that you may be charged penalties and, in certain cases, you may be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

How to get forms and publications

Generally, we mail forms directly to you based on what seems to be right for you. If you need other forms or publications, you can order them by following the instructions at the bottom of page 35. Please allow two weeks to receive your order.

You can get the following items at many banks, post offices, and public libraries or order them from IRS:

Form 1040, U.S. Individual Income Tax Return
Instructions for Form 1040

Form 1040A
Instructions for Form 1040A

Form 1040EZ
Instructions for Form 1040EZ

Schedule A for itemized deductions

Schedule B for interest income if more than $400 or if from All-Savers Certificates; for dividends and other distributions on stock if more than $400, or for qualified reinvested dividends from qualified public utilities; and for answering the Foreign Accounts or Foreign Trust Questions

Schedule G for income averaging

Schedule W for the deduction for a married couple when both work

You can photocopy the following items (as well as those listed above) at many public libraries or order them from IRS:

Schedule C for income from a personally owned business

Schedule D for income from the sale or exchange of capital assets

Schedule E for income from rents, royalties, partnerships, estates, trusts, etc.

Schedule F for income from farming

Schedules R&RP for credit for the elderly

Schedule SE for reporting net earnings from self-employment

Form 1040-ES to make estimated tax payments

Form 2106, Employee Business Expenses

Form 2119, Sale or Exchange of Principal Residence

Form 2210, Underpayment of Estimated Tax by Individuals

Form 2441, Credit for Child and Dependent Care Expenses

Form 3468, Computation of Investment Credit

Form 3903, Moving Expense Adjustment

Form 4136, Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil

How to get forms and publications (continued)

Form 4562, Depreciation and Amortization

Form 4684, Casualties and Thefts

Form 4797, Supplemental Schedule of Gains and Losses

Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return

Form 5695, Residential Energy Credit

You can read or photocopy the following publications at many public libraries or order them from IRS:

17 Your Federal Income Tax
54 Tax Guide for U.S. Citizens Abroad
334 Tax Guide for Small Business
463 Travel, Entertainment, and Gift Expenses
501 Exemptions
502 Medical and Dental Expenses
503 Child and Disabled Dependent Care
504 Tax Information for Divorced or Separated Individuals
505 Tax Withholding and Estimated Tax
506 Income Averaging
508 Educational Expenses
521 Moving Expenses
522 Disability Payments
523 Tax Information on Selling Your Home
524 Credit for the Elderly
525 Taxable and Nontaxable Income
526 Charitable Contributions
527 Rental Property
529 Miscellaneous Deductions
530 Tax Information for Homeowners
531 Reporting Income From Tips
533 Self-Employment Tax
545 Interest Expense
547 Tax Information on Disasters, Casualties, and Thefts
550 Investment Income and Expenses
552 Recordkeeping for Individuals and a List of Tax Publications
553 Highlights of 1982 Tax Changes
554 Tax Benefits for Older Americans
575 Pension and Annuity Income
583 Information for Business Taxpayers
587 Business Use of Your Home
590 Tax Information on Individual Retirement Arrangements
596 Earned Income Credit
903 Energy Credits for Individuals
905 Tax Information on Unemployment Compensation
907 Tax Information for Handicapped and Disabled Individuals
910 Taxpayer's Guide to IRS Information and Assistance

Unable to use short Forms 1040EZ or 1040A?

If you cannot file either Form 1040EZ or Form 1040A because you want to:

- itemize deductions, income average, claim the child care credit, claim moving expenses, or claim employee business expenses, check the box beside "Form 1040 Kit" located below. Follow the instructions, and send the order to: IRS, P.O. Box 3045, Columbia, MD 21045.

Tax Tip: Many public libraries have IRS tax forms you can copy and also have reference sets of Tax Information Publications. Also, many banks, post offices, and public libraries stock Forms 1040, 1040A, 1040EZ, their instructions, and Schedules A&B, G, and W.

We will send you a "Form 1040 Kit" containing the following:

- Form 1040 (U.S. Individual Income Tax Return)
- Instructions for Form 1040
- Schedules A & B, Form 1040 (Itemized Deductions & Interest and Dividend Income)
- Schedule G, Form 1040 (Income Averaging)
- Publication 506 (Income Averaging)
- Schedule W, Form 1040 (Deduction for a Married Couple When Both Work)
- Form 2106 (Employee Business Expenses)
- Form 2441 (Credit for Child and Dependent Care Expenses)
- Publication 503 (Child & Disabled Dependent Care)
- Form 3903 (Moving Expense Adjustment)
- Publication 521 (Moving Expenses)

Form 1040 Kit ☐

If you check this box, we will send you a "KIT" containing the forms, instructions, and publications listed above. Be sure to print your name and address on the other side of this page. Cut the order form on the dotted line and mail it in your own envelope to the address shown above.

If you need other forms or publications and wish to order them from IRS, attach a separate sheet of paper listing them. Please list forms and publications separately and in numerical order. Also, please list them by form or publication number, not title. We will send you 2 copies of each form and 1 copy of each set of instructions or publication you ask for.

This will help us fill your order quicker. To help reduce waste, order only what you need, and be sure to allow two weeks to receive your order.

Return label

Department of the Treasury—Internal Revenue Service

Peel off the label and place it in the address area of the Form 1040A or 1040EZ you file. If someone prepares your return, please give the preparer the pre-addressed label and the envelope and ask the preparer to use them. Make necessary corrections on the label.

Third Class Bulk Mail
Postage and Fees Paid
IRS
Permit No. G-48

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Detach At This Line

Order form

Use your own envelope. Do not use the envelope we furnished you in your income tax package because this envelope may be used only for filing your income tax return.

Write your name and address here. It may be used as a label to speed your order for forms to you.

Name

Number and street

City or town, State, and ZIP code

Form **1040X** (Rev. October 1982)(X)

Department of the Treasury—Internal Revenue Service

Amended U.S. Individual Income Tax Return

OMB No. 1545-0091
Expires 10-31-85

This return is for calendar year ▶ 19 , OR fiscal year ended ▶ , 19 .

Please print or type

Your first name and initial (If joint return, also give spouse's name and initial)	Last name	**Your social security number**
Present home address (Number and street, including apartment number, or rural route)		**Spouse's social security no.**
City, town or post office, State, and ZIP code		**Telephone no. (optional)** ( )

Enter below name and address as shown on original return (if same as above, write "Same"). If changing from separate to joint return, enter names and addresses used on original returns. (**Note:** *You cannot change from joint to separate returns after the due date has passed.*)

a. Service center where original return was filed

b. Has original return for the year being changed been audited? . . . . ☐ Yes ☐ No
If "No," have you been notified that it will be? . . . . ☐ Yes ☐ No
If "Yes," identify IRS office ▶

c. Filing status claimed. (**Note:** *You cannot change from joint to separate returns after the due date has passed.*)
On original return . ▶ ☐ Single ☐ Married filing joint return ☐ Married filing separate return ☐ Head of Household ☐ Qualifying Widow(er)
On this return . . ▶ ☐ Single ☐ Married filing joint return ☐ Married filing separate return ☐ Head of Household ☐ Qualifying Widow(er)

Income and Deductions	A. As originally reported or as adjusted (See Instructions)	B. Net change—Increase or (Decrease)—explain on page 2	C. Correct amount
1 Total income (see instructions)			
2 Adjustments to income (see instructions)			
3 Adjusted gross income (subtract line 2 from line 1)			
4 Deductions (see instructions)			
5 Subtract line 4 from line 3 . . . . **Note:** *If this return is for 1979 or 1980, and you use the tax tables, do not complete line 6. Instead, skip line 7 and enter on line 8, the tax on the income you reported on line 5.*			
6 Exemptions from page 2, line 5			
7 Taxable income (subtract line 6 from line 5)			
Tax Liability			
8 Tax (see instructions) (method used in column C ....) . .			
9 Credits (such as residential energy credit, credit for the elderly—see instructions) . .			
10 Subtract line 9 from line 8			
11 Other taxes (such as self-employment tax, minimum tax—see instructions) . . .			
12 Total tax liability (add line 10 and line 11)			
Payments			
13 Federal income tax withheld and excess FICA and RRTA tax withheld . .			
14 Estimated tax payments			
15 Earned income credit			
16 Credits for Federal tax on special fuels, regulated investment company, etc.			
17 Amount paid with Form 2688 or Form 4868 (application for extension of time to file)			
18 Amount paid with original return, plus additional tax paid after it was filed			
19 Total of lines 13 through 18, column C			
Refund or Amount You Owe			
20 Overpayment, if any, as shown on original return (or as previously adjusted by IRS)			
21 Subtract line 20 from line 19 (see instructions)			
22 **AMOUNT YOU OWE.** If line 12, column C is more than line 21, enter difference. Please pay in full with this return . .			
23 **REFUND** to be received. If line 12, column C is less than line 21, enter difference			

Please Sign Here

Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

▶ Your signature Date ▶ Spouse's signature (if filing jointly BOTH must sign)

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ▶ ☐	Preparer's social security no.
Firm's name (or yours, if self-employed) and address ▶		E.I. No. ▶	
		ZIP code ▶	

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

BE SURE TO COMPLETE PAGE 2

Part I Exemptions (See Form 1040 or Form 1040A Instructions)

Complete lines 1 through 5 in all cases. Complete lines 6 and 7 only if you claim more exemptions.

	A. Number originally reported	B. Net change	C. Corrected number
1 Exemptions—yourself and spouse, 65 or over, blind			
2 Your dependent children who lived with you			
3 Other dependents			
4 Total exemptions (add lines 1 through 3)			
5 Multiply $1,000 by the total number of exemptions claimed on line 4. Enter this amount here and, if applicable, on page 1, line 6 .			

6 Enter first names of your dependent children who lived with you, but were not claimed on original return:

Enter number ▶ ☐

7 Other dependents not claimed on original return:

(a) Name	(b) Relationship	(c) Number of months lived in your home	(d) Did dependent have income of $1,000 or more?	(e) Did you provide more than one-half of dependent's support?

Enter number ▶ ☐

Part II Explanation of Changes to Income, Deductions, and Credits

Enter the line reference from page 1 for which you are reporting a change and give the reason for each change. Attach applicable schedules.

If the change pertains to a net operating loss carryback, an investment credit carryback, a WIN credit carryback, or a jobs credit carryback . . . . Check here ▶ ☐

Part III Presidential Election Campaign Fund

Checking below will not increase your tax or reduce your refund.

If you did not previously want to have $1 go to the fund but now want to . . . . Check here ▶ ☐

If joint return and if spouse did not previously want to have $1 go to the fund but now wants to . . . . Check here ▶ ☐

Department of the Treasury
Internal Revenue Service

Instructions for Form 1040X

(Revised October 1982)

Amended U.S. Individual Income Tax Return

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form 1040X

Use Form 1040X to correct your income tax return, Form 1040, Form 1040A, or Form 1040EZ. Also use Form 1040X to claim a refund of individual income taxes. Please note that it often takes 2 to 3 months to process Form 1040X. We will figure the interest and will either include it in your refund or bill you for it. If you are changing your Federal return, you may also have to change your State return.

You should use **Form 1045**, Application for Tentative Refund, instead of Form 1040X in some cases. Use Form 1045 if:

- you are applying for a tentative refund resulting from a net operating loss or credit carryback, AND
- less than one year has elapsed since the end of the year in which the loss or credit arose.

Information on Income, Deductions, etc.

If you have questions, such as what income is taxable or what expenses are deductible, the instructions for the return you are amending may help you. Be sure to use the Tax Table(s) or Tax Rate Schedules for the right year to figure the corrected tax. The related schedules and forms may also help you.

Death of Taxpayer

If you are claiming a refund as surviving spouse filing a joint return with the decedent, write "deceased" and show the date of death in the name and address space of Form 1040X. Also write "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign. No other form is needed to have the refund issued to you. However, all other filers requesting a refund due a decedent must file **Form 1310**, Statement of Person Claiming Refund Due a Deceased Taxpayer, to claim the refund.

If you want more details, please get Publication 559, Tax Information for Survivors, Executors, and Administrators.

When to File

File Form 1040X after you filed your original return. Generally, Form 1040X must be filed within 3 years after the date the original return was due or 3 years after the date you filed it, whichever was later. A Form 1040X based on a net operating loss carryback, investment credit carryback, WIN credit carryback, or jobs credit carryback generally must be filed within 3 years after the due date of the return for the tax year of the net operating loss or unused credit.

Preparer Information

If you fill in your own return, the Paid Preparer's space should remain blank. If someone prepares your return and does not charge you, that person should **not** sign your return.

Generally, anyone who is paid to prepare your tax return must sign your return and fill in the other blanks in the Paid Preparer's Use Only area of your return.

If you have questions about whether a preparer is required to sign your return, please contact an IRS office.

The person required to sign your return MUST complete the required preparer information and:

- *Sign it, by hand, in the space provided for the preparer's signature (signature stamps or labels are not acceptable).*
- *Give you a copy of your return in addition to the copy filed with IRS.*

Tax return preparers should be familiar with their responsibilities. **Publication 1045,** Information and Order Blanks for Preparers of Federal Income Tax Returns, lists some of the preparer's other responsibilities and penalties for which he or she may be liable.

Net Operating Loss

Attach a statement showing how you figured your net operating loss. You may use Schedule A of Form 1045 for this purpose.

A refund based on a net operating loss should not include the refund of any self-employment tax reported on line 11. For more information get **Publication 536,** Net Operating Losses and the At-Risk Limits.

Line-By-Line Instructions

Page 1

ABOVE YOUR NAME, ENTER THE CALENDAR YEAR OR FISCAL YEAR OF THE RETURN YOU ARE AMENDING.

Item C—Filing status.—If you are changing from separate returns to a joint return, both of you must sign the amended return. If there is any tax due, it must be paid in full.

Column A.—Enter the amounts from your return as originally filed or as you later amended it. If your return was audited, enter the amounts that were determined as the result of the examination.

Column B.—Enter the increases or decreases you are making. Bracket all decreases. Explain each change on page 2, Part II, and attach any related schedule. For example, if you are amending your return to average your income, attach Schedule G (Form 1040) to Form 1040X.

Column C.—Add the increase in column B to the amount in column A or subtract the column B decrease from column A. Show the result in column C. For any item you do not change, enter the amount from column A in column C.

Note: *If Your Amended Return Changes Only Credits Or Other Taxes, Skip Lines 1–7 And Start With Line 8. If It Changes Only Payments, Skip Lines 1–11 And Start With Line 12.*

Line 1—Total Income.—On page 2, Part II, explain any changes you make on this line. To figure this amount, add income from all sources, such as wages, interest, dividends, and net profit from business. For 1979 and 1980 use line 22 of your Form 1040 or line 11 of your Form 1040A. For 1981 use line 21 of Form 1040 and line 10 of Form 1040A. For 1982 use line 22 of Form 1040, line 10 of Form 1040A, and line 3 of Form 1040EZ.

If you are correcting wages or other employee compensation, attach the first copy or Copy B of all additional or corrected Forms W–2 that you got after you filed your original return.

Line 2—Adjustments to Income.—Enter on this line all adjustments to income such as disability income exclusion, moving expense, employee business expenses, etc. For 1979 and 1980 use the amounts on lines 23–29 on Form 1040. For 1981 use lines 22–29. And for 1982, use lines 23–31.

On Form 1040A for 1982 use line 11.

Line 4—Deductions.—

For 1979, 1980, 1981, and 1982: Make an entry on this line only for the excess, if any, of your total itemized deductions over:

- $3,400 if you are married filing a joint return or qualifying widow(er) with dependent child.
- $2,300 if you are single or head of household.
- $1,700 if you are married filing a separate return.

If you do not itemize, enter zero. However, if for 1982 you claim a partial deduction for charitable contributions, enter the amount on this line.

If you made an entry on Schedule TC (Form 1040), Part II, line 4, for 1979 or 1980, or line 4 of the worksheet on page 12 of the Form 1040 instructions for 1981 or 1982, enter that amount on line 4, Form 1040X. Add lines 3 and 4 instead of subtracting, and enter the result on line 5.

Caution: Some changes you make to income or deductions can cause other amounts to increase or decrease. For example, increasing your income will generally decrease the deduction you can take for medical expenses. However, it might increase the allowable deduction for charitable contributions or sales tax. You should refigure these items whenever you change your return.

Line 8—Tax.—Enter your income tax before subtracting any credits. Indicate on this line the method you use in column C to figure your tax. For example, if you use the tax rate schedules, write "TRS." If you use income averaging, write "Sch. G."

Figure the tax on the income you reported in column C. Attach the appropriate schedules. Include on line 8 any additional taxes from Form 4970, Form 4972, Form 5544, and Form 5405. Also include any section 72 penalty tax. The forms and instructions for the right year will help you with line 8.

Line 9—Credits.—Enter your total credits. Examples are credit for the elderly, credit for child and dependent care expenses, or investment credit. For 1979, 1980, and 1981, use the credits reportable on lines 38 through 46 of Form 1040. For 1982 use lines 41–48 of Form 1040.

If you filed Form 1040A, enter on line 9 your credit for contributions to candidates for public office.

Line 11—Other Taxes.—Include other taxes, such as tax from recomputing prior-year investment credit, minimum tax, self-employment tax, advance earned income credit payments received, etc. On Form 1040 for 1979, 1980, and 1981, they were on lines 48 through 53. And for 1982 they were on lines 51–58.

On Form 1040A, use the amount from line 14b for 1979 or 1980, and the amount from line 15b for 1981. For 1982, use the amount on line 19b.

Lines 13–17.—Enter on the applicable lines your payments and credits. For 1979, 1980, and 1981, they were on lines 55 through 62 of Form 1040. For 1982 they were on lines 60 through 67.

On Form 1040A they were on lines 12b and 12c for 1979 and 1980. For 1981 use lines 13b and 13c, and for 1982 use lines 17b and 17c.

On Form 1040EZ they were on line 8 for 1982.

Line 13—Federal Income Tax Withheld, Excess FICA and RRTA Tax Withheld.—If you change these amounts, attach the first copy or Copy B of all additional or corrected Forms W-2 that you got since you filed your original return.

Line 14.—Enter the estimated tax payments you claimed on your return. If you filed Form 1040C, include the amount you paid as the balance due with the return.

Line 18.—Enter the amount you paid on the "Balance Due" or "Amount You Owe" reported on your original return. Also include any additional tax that may have resulted if your original return was examined. **Do not include payments of interest or penalties.**

Line 20—Overpayment Shown on Original Return.—Enter the overpayment from your original return. On Form 1040A this is called "amount to be refunded." On Form 1040EZ it is called "amount of your refund." And on Form 1040 it is called "amount overpaid." That amount must be considered in preparing Form 1040X since any refund you have not yet received from your original return will be refunded separately from any additional refund claimed on your Form 1040X. Also include in the amount on line 20 any additional overpayment of tax that may have resulted from an examination of your original return. Do not include any interest you received on any refund.

Lines 21 and 22.—Caution: *If line 21 results in a minus figure, add it to line 12, instead of subtracting. Enter the result on line 22.*

Line 23—Refund.—If you are entitled to a larger refund than you claimed on your original return, show only the additional amount due you. This will be refunded separately from the amount claimed on your original return. See instruction for line 20.

Page 2

Part I—Exemptions.—Complete lines 1 through 5 in all cases as they apply. Complete lines 6 and 7 only if you claim more exemptions.

In column A enter the number of exemptions claimed on your original return Form 1040, Form 1040A, or Form 1040EZ. In column B enter any increase or decrease to exemptions claimed on your original return. Enter in column C the corrected number of exemptions you are claiming on this amended return.

Part III—Presidential Election Campaign Fund.—You may use Form 1040X to have $1 go to the Presidential Election Campaign Fund if you (or your spouse on a joint return) did not do so on your original return. This must be done within 20½ months after the original due date for filing the return. For the calendar year 1982, this period expires on December 31, 1984.

Note: *A "Yes" designation cannot be changed.*

Where to File

Please use the address for your State. Mail your return to the Internal Revenue Service Center for the place where you live.

No street address is needed.

Alabama—Atlanta, GA 31101
Alaska—Ogden, UT 84201
Arizona—Ogden, UT 84201
Arkansas—Austin, TX 73301
California—Fresno, CA 93888
Colorado—Ogden, UT 84201
Connecticut—Andover, MA 05501
Delaware—Philadelphia, PA 19255
District of Columbia—Philadelphia, PA 19255
Florida—Atlanta, GA 31101
Georgia—Atlanta, GA 31101
Hawaii—Fresno, CA 93888
Idaho—Ogden, UT 84201
Illinois—Kansas City, MO 64999
Indiana—Memphis, TN 37501
Iowa—Kansas City, MO 64999
Kansas—Austin, TX 73301
Kentucky—Memphis, TN 37501
Louisiana—Austin, TX 73301
Maine—Andover, MA 05501
Maryland—Philadelphia, PA 19255
Massachusetts—Andover, MA 05501
Michigan—Cincinnati, OH 45999
Minnesota—Ogden, UT 84201
Mississippi—Atlanta, GA 31101
Missouri—Kansas City, MO 64999
Montana—Ogden, UT 84201
Nebraska—Ogden, UT 84201
Nevada—Ogden, UT 84201
New Hampshire—Andover, MA 05501
New Jersey—Holtsville, NY 00501
New Mexico—Austin, TX 73301
New York
  New York City and Counties of Nassau, Rockland, Suffolk and Westchester—Holtsville, NY 00501
  All Other Counties—Andover, MA 05501
North Carolina—Memphis, TN 37501
North Dakota—Ogden, UT 84201
Ohio—Cincinnati, OH 45999
Oklahoma—Austin, TX 73301
Oregon—Ogden, UT 84201
Pennsylvania—Philadelphia, PA 19255
Rhode Island—Andover, MA 05501
South Carolina—Atlanta, GA 31101
South Dakota—Ogden, UT 84201
Tennessee—Memphis, TN 37501
Texas—Austin, TX 73301
Utah—Ogden, UT 84201
Vermont—Andover, MA 05501
Virginia—Memphis, TN 37501
Washington—Ogden, UT 84201
West Virginia—Memphis, TN 37501
Wisconsin—Kansas City, MO 64999
Wyoming—Ogden, UT 84201

American Samoa—Philadelphia, PA 19255
Guam—Commissioner of Revenue and Taxation, Agana, GU 96910
Puerto Rico *(or if excluding income under section 933)*—Philadelphia, PA 19255
Virgin Islands: Non-permanent residents—Philadelphia, PA 19255
Virgin Islands: Permanent residents—Department of Finance, Tax Division, Charlotte Amalie, St. Thomas, VI 00801
A.P.O. or F.P.O. address of:
  Miami—Atlanta, GA 31101
  New York—Holtsville, NY 00501
  San Francisco—Fresno, CA 93888
  Seattle—Ogden, UT 84201
Foreign country: *U.S. citizens and those excluding income under section 911 or 931, claiming deductions under section 913, or claiming the housing deduction under section 911—Philadelphia, PA 19255*

Form **1041**
Department of the Treasury
Internal Revenue Service

U.S. Fiduciary Income Tax Return

For the calendar year 1982 or fiscal year
beginning ...., 1982, and ending ...., 19........

OMB No. 1545-0092

1982

Check applicable boxes:
- ☐ Decedent's estate
- ☐ Bankruptcy estate
- ☐ Testamentary trust
- ☐ Generation-skipping trust
- ☐ Simple trust ($300)
- ☐ Complex trust ($100)
- ☐ Complex trust ($300)
- ☐ Grantor type trust
- ☐ Family estate trust
- ☐ Pooled income fund

Name of estate or trust (Grantor type trust, see instructions)

Name and title of fiduciary

Address of fiduciary (number and street)

City, State, and ZIP code

Employer identification number

Nonexempt charitable and split-interest trusts check applicable boxes (See instructions):
- ☐ Described in section 4947(a)(1)
  - ☐ Not treated as a private foundation
- ☐ Described in section 4947(a)(2)

Check applicable boxes: ☐ First return ☐ Final return ☐ Ancillary return ☐ Amended return
Change in fiduciary's ☐ Name or ☐ Address

Income	1 Dividends (Enter full amount before exclusion)	1		
	2 Interest income (Enter full amount before exclusion)	2		
	3 Partnership income or (loss)	3		
	4 Income from another estate or trust	4		
	5 Net rent and royalty income or (loss) from line 44	5		
	6 Net business and farm income or (loss) (Attach Schedules C and F (Form 1040))	6		
	7 Capital gain or (loss) (Attach Schedule D (Form 1041))	7		
	8 Ordinary gain or (loss) (Attach Form 4797)	8		
	9 Other income (State nature of income)........................	9		
	10 Total income (Add lines 1 through 9) ▶		10	
Deductions	11 Interest	11		
	12 Taxes	12		
	13 Charitable deduction (from line 53)	13		
	14 Fiduciary fees	14		
	15 Attorney, accountant, and return preparer fees	15		
	16 Other deductions (Attach a separate sheet listing deductions)	16		
	17 Total (Add lines 11 through 16) ▶		17	
	18 Subtract line 17 from line 10		18	
	19 Income distribution deduction (from line 68) (See specific instructions) (Attach Schedule K–1 (Form 1041))		19	
	20 Dividend and interest exclusion (See instructions)		20	
	21 Estate tax deduction (Attach computation)		21	
	22 Long-term capital gain deduction from Schedule D (Form 1041) (Charity ☐—See instructions)		22	
	23 Exemption		23	
	24 Total (Add lines 19 through 23) ▶		24	
	25 Taxable income of fiduciary (Subtract line 24 from line 18) ▶		25	
Computation of Tax	26 **Tax:** a Tax rate schedule ....; b Other tax ....; Total ▶		26c	
	27 **Credits:** a Foreign tax ....; b Investment ....; c Jobs ....; Total ▶		27d	
	28 **Credits:** a Alcohol fuel ....; b Nonconventional fuel ....; c Research ....; Total ▶		28d	
	29 Total (Add lines 27d and 28d) ▶		29	
	30 Balance (Subtract line 29 from line 26c)		30	
	31 Tax from: a Form 4255 ....; b Form 4626 ....; Total ▶		31c	
	32 Alternative minimum tax (Attach Form 6251)		32	
	33 Total (Add lines 30 through 32) ▶		33	
	34 Other credits (See instruction for line 34)		34	
	35 **Federal income tax:** a Previously paid ▶........................; b Withheld ▶........................; Total ▶		35c	
	36 Total (Add lines 34 and 35c) ▶		36	
	37 Balance of tax due (Subtract line 36 from line 33) (See instruction K)		37	
	38 Overpayment (Subtract line 33 from line 36)		38	

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than fiduciary) is based on all information of which preparer has any knowledge.

▶ Signature of fiduciary or officer representing fiduciary

▶ Date

Paid Preparer's Use Only

Preparer's signature ▶

Date

Check if self-employed ▶ ☐

Preparer's social security no.

Firm's name (or yours, if self-employed) and address ▶

E.I. No. ▶

ZIP code ▶

For Privacy Act and Paperwork Reduction Act Notice, see page 1 of the instructions.

Schedule A.—NET RENT AND ROYALTY INCOME (If more space is needed, attach additional sheets of same size.)

	(a) Kind and location of property	(b) Total amount of rents	(c) Total amount of royalties	(d) Fiduciary's share of depreciation (explain on Form 4562) or depletion (attach computation)	(e) Other expenses (Repairs, etc. attach statement)
39					
40					
41					
42					
43	Totals				

44 Net income or (loss) (column (b) plus column (c) less columns (d) and (e)). Enter here and on line 5 . . 44

Do not complete Schedules B and C for a simple trust

Schedule B.—CHARITABLE DEDUCTION (Write the name and address of the charitable organization on an attached sheet.)

45	Amounts paid or permanently set aside for charitable purposes from current year's income	45	
46	Tax-exempt interest allocable to charitable distribution (See instructions)	46	
	(Complete lines 47 and 48 below only if gain on Schedule D (Form 1041), line 17, column (b), exceeds loss on Schedule D (Form 1041), line 16, column (b).)	▨	
47 a	Long-term capital gain included on line 45 (See instructions)	47a	
b	Enter gain on Schedule D (Form 1041), line 17, column (b), minus loss on Schedule D (Form 1041), line 16, column (b) . .	47b	
c	Enter gain on Schedule D (Form 1041), line 17, column (c), minus loss on Schedule D (Form 1041), line 16, column (c) . .	47c	
48	Enter 60% of the amount on line 47a, 47b, or 47c, whichever is the smallest	48	
49	Add line 46 and line 48	49	
50	Balance (Subtract line 49 from line 45)	50	
51	Enter the short-term capital gain and 40% of the net long-term capital gain of the current tax year allocable to corpus, paid or permanently set aside for charitable purposes	51	
52	Amounts paid or permanently set aside for charitable purposes other than from income of the current year (See instructions) .	52	
53	Total (Add lines 50, 51, and 52). Enter here and on line 13	53	

Schedule C.—INCOME DISTRIBUTION DEDUCTION

54	Enter amount from line 18 if the amount on line 10 exceeds the amount on line 17		54	
55 a	Tax-exempt interest, as adjusted (See instructions)		55a	
b	Net gain shown on Schedule D (Form 1041), line 18, column (a). If net loss, enter zero		55b	
c	Add line 51 and 40% of the amount on line 47a, 47b, or 47c, whichever is the smallest		55c	
d	Short-term capital gain included on line 45		55d	
e	If amount on line 7 is a loss, enter amount here as a positive figure		55e	
56	Total (Add lines 54 through 55e)		56	
57	If amount on line 7 is a gain, enter amount here		57	
58	Distributable net income (Subtract line 57 from line 56)		58	
59	If a complex trust, amount of income for the tax year determined under the governing instrument (accounting income)	59	▨	
60	Amount of income required to be distributed currently (See instructions)		60	
61	Other amounts paid, credited, or otherwise required to be distributed (See instructions) . . .		61	
62	Total (Add lines 60 and 61) (If greater than line 59, see instructions)		62	
63	Enter the total of tax-exempt income included on lines 60 and 61, as adjusted (See instructions) .		63	
64	Balance (Subtract line 63 from line 62)		64	
65	Enter distributable net income from line 58		65	
66	Enter the amount from line 55a		66	
67	Balance (Subtract line 66 from line 65)		67	
68	Income distribution deduction. Enter here and on line 19 the amount on line 64 or line 67, whichever is less .		68	

		Yes	No
69	Date trust was created or, if an estate, date of decedent's death. ______	▨	▨
70	Did the estate or trust receive tax-exempt income? . . . . If "Yes," attach a computation of the allocation of expenses.	▨	▨
71	If a complex trust making the section 663(b) election, check the "Yes" box		▨
72	Did the estate or trust receive all or any part of the earnings (salary, wages, and other compensation) of any individual by reason of a contract assignment or similar arrangement? . . .	▨	▨

		Yes	No
73	At any time during the tax year did the estate or trust have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country? (See the instructions for question 73) . . .	▨	▨
74	Was the estate or trust the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not the estate or trust has any beneficial interest in it? If "Yes," you may have to file Form 3520, 3520-A, or 926	▨	▨

1982 Department of the Treasury
Internal Revenue Service

Instructions for Form 1041

U.S. Fiduciary Income Tax Return

References are to the Internal Revenue Code, unless otherwise noted.

Do not complete Schedules B and C for a simple trust.

Highlights

- Grantor-Trustees of certain revocable trusts now file only Form 1040. See Grantor type trust on pages 2 and 3.
- The tax rates were reduced.
- The maximum tax was repealed.

Privacy Act and Paperwork Reduction Act Notice

The Privacy Act of 1974 and Paperwork Reduction Act of 1980 say that when we ask you for information we must tell you:

a. Our legal right to ask for the information.

b. What major purposes we have in asking for it, and how it will be used.

c. What could happen if we do not receive it.

d. Whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

For the Internal Revenue Service, the laws include:

- Tax returns and any papers filed with them.
- Any questions we need to ask you so we can:

  Complete, correct, or process your return.

  Figure your tax.

  Collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001 and 6011 and their regulations. They say that you must file a return or statement with us for any tax for which you are liable. Your response is mandatory under these sections. Section 6109 and its regulations say that you must show your social security number (or employer identification number) on what you file. This is so we know who you are, and can process your return and papers.

You must fill in all parts of the tax form that apply to you.

We ask for tax return information to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax.

We may give the information to the Department of Justice and to other Federal agencies, as provided by law.

We may also give it to States, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. We may also give it to foreign governments because of tax treaties they have with the United States.

If a return is not filed, or if we don't receive the information we ask for, the law provides that a penalty may be charged. And we may have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Please keep this notice with your records. It may help you if we ask you for other information.

Purpose

Form 1041 is used by the fiduciary to report the income of an estate or trust. Fiduciary means trustee of a trust, executor, executrix, administrator, administratix, or person in possession of property of a decedent's estate.

You may find additional helpful information in **Publication 559,** Tax Information for Survivors, Executors, and Administrators. Some of the estate information in the publication also applies to trusts. This publication is available from the Internal Revenue Service.

General Instructions

A. Who Must File.—The fiduciary (or one of the joint fiduciaries) must file Form 1041 for the estate of a domestic decedent that has (a) gross income for the tax year of $600 or more, or (b) a beneficiary who is a nonresident alien.

The fiduciary (or one of the joint fiduciaries) must file Form 1041 for a domestic trust taxable under section 641 that has (a) any taxable income for the tax year, or (b) gross income of $600 or more regardless of the taxable income, or (c) any beneficiary who is a nonresident alien. You do not have to complete Schedules B and C for a simple trust; see instruction 19 for more information.

The fiduciary must file Form 1041 for the estate of an individual involved in bankruptcy proceedings under chapter 7 or 11 of Title 11 of the United States Code if the estate has gross income for the tax year of $2,700 or more. Use Form 1041 as a transmittal form for Form 1040, U.S. Individual Income Tax Return. Figure the tax for the bankruptcy estate on Form 1040 the same way as for a married person filing separately.

You may use Form 1041 to file an amended return for an estate or trust. See the section 6402 regulations for additional information.

B. What to File.—The specific instructions explain how to complete the form. But also please note the following:

1. File a separate Schedule K–1 (Form 1041) (or acceptable substitute) for each beneficiary.

2. You do not have to file a copy of the decedent's will or the trust instrument unless IRS requests it. If IRS requests it, file a copy (including any amendments) and the following statements:

(a) A signed statement that, under the penalties of perjury, the copy of the will or the trust instrument is true and complete.

(b) A statement naming the provisions of the will or the trust instrument that you believe determine how the income is to be split up among the estate or trust, the grantor (if applicable), and the beneficiaries.

C. Employer Identification Number (EIN).—Use Form SS–4, Application for Employer Identification Number, to apply for the EIN for the estate or trust. You may get this form from IRS or the Social Security Administration. A separate employer identification number is required for the estate and for each trust. See **Publication 583,** Information for Business Taxpayers, for more information.

D. Additional Returns You May Have To File.—You may also be required to file the following forms:

(1) Form 1040, U.S. Individual Income Tax Return.

(2) Form 1040NR, U.S. Nonresident Alien Income Tax Return.

(3) Form 1041–A, U.S. Information Return-Trust Accumulation of Charitable Amounts.

(4) Form 56, Notice Concerning Fiduciary Relationship.

(5) Form 706, United States Estate Tax Return, or Form 706NA, United States Estate Tax Return, Estate of Nonresident Not a Citizen of the United States.

(6) Form 1087–DIV, Statement for Recipients of Dividends and Distributions, and Form 1087–INT, Statement for Recipients of Interest Income, unless excepted from filing by the sections 6042 and 6049 regulations.

For more information, see **Publication 559.**

For information on Federal estate tax, see **Publication 448,** Federal Estate and Gift Taxes.

E. Period Covered by the Return.—File Form 1041 for the calendar year 1982 or the fiscal year beginning in 1982. If you do not file for a calendar year, fill in the tax year space at the top of the form. The moment of death determines the end of the decedent's tax year and the beginning of the estate's tax year. The first tax year for the estate may be any period of 12 months or less that ends on the last day of a month. For more information, see **Publication 559,** and **Publication 538,** Accounting Periods and Methods.

F. When to File.—File Form 1041 by the 15th day of the 4th month following the close of the tax year of the estate or trust. You may use Form 2758, Application for Extension of Time to File U.S. Partnership, Fiduciary, and Certain Exempt Organization Returns, to apply for an extension of time to file.

G. Where to File.—Except for charitable and split-interest trusts and pooled income funds:

If you are located in ▼	Please mail to the following Internal Revenue Service Center ▼
New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester	Holtsville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05501

Alabama, Florida, Georgia, Mississippi, South Carolina	Atlanta, GA 31101
Michigan, Ohio	Cincinnati, OH 45999
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
Illinois, Iowa, Missouri, Wisconsin	Kansas City, MO 64999
California, Hawaii	Fresno, CA 93888
Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia	Memphis, TN 37501
Delaware, District of Columbia, Maryland, Pennsylvania, outside the United States	Philadelphia, PA 19255

For a charitable or split-interest trust described in section 4947(a) and a pooled income fund defined in section 642(c)(5):

If you are located in	Please mail to the following Internal Revenue Service Center
Connecticut, New Hampshire, Maine, Massachusetts, Rhode Island, Vermont	Andover, MA 05501
Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee	Atlanta, GA 31101
Arkansas, Colorado, Kansas, Louisiana, New Mexico, Oklahoma, Texas, Wyoming	Austin, TX 73301
Indiana, Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999
Arizona, California, Hawaii, Nevada, Utah	Fresno, CA 93888
New Jersey, New York	Holtsville, NY 00501
Illinois, Iowa, Missouri, Nebraska	Kansas City, MO 64999
Alaska, Idaho, Minnesota, Montana, North Dakota, Oregon, South Dakota, Washington, Wisconsin	Ogden, UT 84201
Delaware, Maryland, Pennsylvania, Virginia, District of Columbia, outside the United States	Philadelphia, PA 19255

H. "At Risk" Provisions.—There are special rules for limiting the loss to the amount "at risk" for certain trade or business activities. The "at risk" rules apply (except for real estate other than mineral property) only if the estate or trust has a loss from an activity carried on as a trade or business or for the production of income. Generally, the amount the estate or trust has "at risk" limits the loss you can deduct for any tax year. Examples of amounts not "at risk" are nonrecourse loans, stop loss agreements, amounts covered by guarantees, insurance, etc. Any loss from an activity not allowed for the tax year because of the "at risk" rules is treated as a deduction allocable to the activity in the next year. For more information, see **Publication 559** and **Publication 536**, Net Operating Losses and the At-Risk Limits.

I. Special Rule for Blind Trust.—If you are reporting income from a qualified blind trust (under the "Ethics in Government Act of 1978"), do not identify the payer of the income to the trust.

J. Signature.—Form 1041 must be signed by the fiduciary or by an authorized representative.

If you fill in your own return, the Paid Preparer's space should remain blank. If someone prepares your return and does not charge you, that person should not sign your return.

Generally, anyone who is paid to prepare your tax return must sign your return and fill in the other blanks in the Paid Preparer's Use Only area of your return.

The person required to sign your return must complete the required preparer information and:

- **Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps and labels are not acceptable.)**
- **Give you a copy of your return in addition to the copy to be filed with IRS.**

Tax return preparers should be familiar with their responsibilities. These are described in Publication 1045, Information and Order Blanks for Preparers of Federal Income Tax Returns.

K. Payment of Tax.—The tax of a trust must be paid in full when the return is filed.

The tax of an estate must be paid in full when the return is filed or in four equal installments by the 15th day of the 4th, 7th, 10th, and 13th months following the end of the tax year.

Make your check or money order payable to "Internal Revenue Service" and write the employer identification number on it.

L. Penalties and Interest.—

a. Interest. Interest will be charged on taxes not paid by their due date, even if an extension of time to file is granted.

b. Late Filing of Return. The law provides a penalty of 5% of the tax due for each month, or part of a month, the return is late (maximum 25%) unless you can show reasonable cause for the delay. If you file a return late, attach a full explanation to your return. If your return is more than 60 days late, the penalty will not be less than $100 or 100% of the balance of tax due on your return, whichever is less.

c. Late Payment of Tax. The penalty for not paying tax when due is ½ of 1% of the unpaid amount for each month or part of a month it remains unpaid. The maximum penalty is 25% of the unpaid amount. The penalty applies to any unpaid tax shown on a return. A similiar penalty applies to any additional tax shown on a bill that is not paid within 10 days after the date of the bill. Any penalty is in addition to interest charges on late payments.

Note: *If you include interest or either of these penalties with your payment, identify and enter these amounts in the bottom margin of Form 1041, page 1. Do not include the interest or penalty amounts in balance of tax due on line 37.*

M. Unresolved Tax Problems.—IRS has a Problem Resolution Program for taxpayers who have been unable to resolve their problems with IRS. If you have a tax problem you have been unable to resolve through normal channels, write to your District Director, attention: Problem Resolution Office or call your local IRS office and ask for Problem Resolution assistance. The Problem Resolution Office will take responsibility for your problem and insure that it receives proper attention. Although this office cannot change the tax law or technical decisions, it can frequently clear up misunderstandings that resulted from previous contacts.

Specific Instructions

Identification Area

Please copy the exact name of the estate or trust from the Form SS–4, Application for Employer Identification Number, that you used to apply for the employer identification number.

Fill in the information called for at the top of the form and check the box or boxes that apply. Definitions and descriptions of trusts follow. If the classification of a simple trust changes to a complex trust in a later year, or if a complex trust changes to a simple trust, please attach a statement to the return to explain the reasons for the change.

Decedent's estate.—Check this box if you are filing for the estate of a domestic decedent.

Bankruptcy estate.—Check this box if you are filing for the estate of an individual involved in bankruptcy proceedings under chapter 7 or 11 of Title 11 of the United States Code (relating to bankruptcy) if the estate has gross income for the tax year of $2,700 or more. Use Form 1041 as a transmittal form for Form 1040, U.S. Individual Income Tax Return. Figure the tax for the bankruptcy estate on Form 1040 the same way as for a married person filing separately. See the instructions for Form 1040. Remember to attach Form 1040 to Form 1041, to complete the identification area at the top of Form 1041, to enter the tax due (if any), and to sign and date the Form 1041. See **Publication 908**, Bankruptcy, for more information about an individual's bankruptcy estate.

Testamentary Trust.—Check this box if you are filing for a trust authorized in a decedent's will.

Generation-Skipping Trust.—Check this box if you are filing for a generation-skipping trust. In general, this is a trust with younger generation beneficiaries who are assigned to more than one generation younger than the grantor's generation. For more information, see **Publication 448.**

Simple Trust.—Check this box if you are filing for a simple trust. A trust may qualify as "simple" if the trust instrument (1) requires that all income must be distributed currently, and (2) does not allow amounts to be paid, permanently set aside, or used in the tax year for certain charitable purposes. Income required to be distributed currently generally means income that is required to be distributed in the year it is received except as explained in regulations section 1.651(a)–2. In addition, a trust qualifies as "simple" only in tax years in which it distributes only amounts of income that must be distributed currently.

Complex Trust ($100).—Check this box if you are filing for a complex trust that deducts the normal $100 exemption authorized under regulations section 1.642(b)–1. A complex trust is any trust that does not qualify as a simple trust as explained above.

Complex Trust ($300).—Check this box if you are filing for a complex trust that is authorized a $300 exemption under regulations section 1.642(b)–1. Attach a statement to explain why the trust is entitled to the $300 exemption for the year.

Grantor Type Trust.—Check this box if you are filing for a trust that is treated as totally or partly owned by the grantor or another person. Report on Form 1041 the part of the income that is taxable to the trust. Do not report on Form 1041 the income that is taxable to the grantor or another person. Instead, attach a separate sheet to report the following:

- **The income of the trust that is taxable to the grantor or another person under sections 671 through 678.**

- The name, identifying number, and address of the person(s) to whom the income is taxable.
- Any deductions or credits applied to this income.

On page 1 at the top of Form 1041, write the name, identification number, and address of the grantor(s) or other person(s) in parentheses after the name of the trust.

The income taxable to the grantor or another person under sections 671 through 678 and the deductions and credits applied to the income must be reported on the income tax return filed by that person.

New rules apply to certain revocable trusts that are located in the U.S. and have all assets located in the U.S. if:

- The same individual is both grantor and trustee (or co-trustee) of the trust; and
- The individual is treated as owner of all trust assets for the tax year under section 676 (power to revoke).

The new rules also apply to certain other revocable trusts in which:

- A husband and wife are the sole grantors;
- One spouse is trustee or co-trustee with a third party or both spouses are trustees or co-trustees with a third party;
- One or both spouses are treated as owners of all trust assets for the tax year under section 676 (power to revoke); and
- The husband and wife file a joint income tax return for the tax year (under section 6013).

The grantor/trustee for a trust described above that was created in a tax year beginning on or after January 1, 1981, should not file Form 1041 and therefore will not need an employer identification number for the trust. The grantor/trustee must furnish his or her social security number to payers of income and report all items of income, deduction, and credit from the trust on his or her Form 1040.

The grantor/trustee for a trust described above who has previously filed Form 1041 and who wants to take advantage of the simplified reporting requirements in the future should file a Form 1041 for the current year and write on it "pursuant to section 1.671–4(b), this is the final return for this grantor trust." A grantor/trustee who chooses this option must furnish his or her social security number to payers of income for the next year, and report the trust income on his or her Form 1040 for the next year and for future years. The grantor/trustee must not file Form 1041 for future years.

Family Estate Trust.—Check this box if you are filing for a family estate trust. These are also known as family, family estate, pure, equity, equity pure, prime, or constitutional trusts.

If the family estate trust is treated as a grantor trust, see the "Grantor Type Trust" instructions above. For more information concerning the classification as a grantor trust, see Revenue Ruling 75–257, 1975–2 C.B. 251. In most cases, the grantor transfers property to the trust or assigns to the trust the income for services the grantor performs. The trust instrument usually provides:

- Evidence of ownership, such as certificates of beneficial interest in the trust.
- That the grantor is a trustee and executive officer.
- That the trust pays the living expenses for the grantor and family.
- That the corpus and undistributed income are distributed to the owners after the trust is terminated.

Pooled Income Fund.—Check this box if you are filing for a pooled income fund. A pooled income fund is a split-interest trust with a remainder interest for a public charity and a life income interest retained by the donor or for another person. The property is held in a pool with other pooled income fund property and does not include any tax-exempt securities. The income for a retained life interest is figured using the yearly rate of return earned by the trust. See section 642(c) and the related regulations for more information. You must attach a statement to support the following:

- The calculation of the yearly rate of return. (See regulations section 1.642(c)–6(c) for the calculation rules.)
- The computation of the deduction for distributions to the beneficiaries.
- The computation of any charitable deduction.

You do not have to complete Schedule B (Form 1041) or Schedule C (Form 1041).

If the fund has accumulations of income, file Form 1041–A, U.S. Information Return-Trust Accumulation of Charitable Amounts, unless the fund is required to distribute all its net income to beneficiaries currently.

You must also file Form 5227, Split-Interest Trust Information Return.

Nonexempt Charitable and Split-Interest Trust.—Check the first box if the trust is a nonexempt charitable trust described in section 4947(a)(1). Check the second box if the trust is not treated as a private foundation as explained in regulations sections 53.4947–1 and 53.4947–2. Check the third box if the trust is a nonexempt split-interest trust described in section 4947(a)(2).

If the trust is treated as a private foundation, see regulations sections 53.4947–1 and 53.4947–2 for private foundation rules that apply to charitable and split-interest trusts. You must file Form 990–PF if the charitable trust is treated as a private foundation. You may also have to file Form 4720, Return of Certain Excise Taxes on Charities and Other Persons Under Chapters 41 and 42 of the Internal Revenue Code. Do not deduct on Form 1041 any private foundation taxes paid.

If the nonexempt charitable trust is a private foundation that owes no income tax, it may file Form 990–PF to satisfy its Form 1041 filing requirement.

A nonexempt charitable trust not treated as a private foundation must file Form 990 and Schedule A (Form 990) if its gross receipts are normally more than $25,000 for tax years ending on or after December 31, 1982. If the trust owes no income tax, it may satisfy its Form 1041 filing requirement by filing Form 990.

Split-interest trusts must file Form 5227, Split-Interest Trust Information Return, and are also required to file Form 1041–A if they are not required to distribute all of their net income currently to beneficiaries. Nonexempt charitable trusts do not have to file either of these two forms.

Final Return.—Check this box if this is a final return because the estate or trust has terminated.

If this is the final return and there are unused loss carryovers or excess deductions, see **Publication 559** and section 642 (h) and related regulations. Figure the deductions on an attached sheet. Do not complete Schedule C (Form 1041).

On Schedule K–1 (Form 1041), enter the types of deductions and the amounts allocable to each beneficiary. See the instructions for Schedule K–1 for more detailed instructions.

Ancillary Return.—If you (as fiduciary) are filing an ancillary return (one for property in a State other than that of the decedent's permanent home), check the ancillary return box. The return must include the name and address of the domiciliary representative (the one representing the estate in the State of the decedent's permanent home). The ancillary return must also include the gross income received by the ancillary representative and the deductions claimed against that income. Mail the ancillary return to the IRS Service Center serving the State where the ancillary representative is located. The domiciliary return must include all income received by the estate including the income received by the ancillary representative. For more information, see **Publication 559.**

Change in Fiduciary's Name.—If you check this box, write the previous fiduciary's name on an attached sheet.

Instructions for Line Items

The instructions below are numbered to correspond to the line items on Form 1041.

Rounding off to whole-dollar amounts.—You may show the money items on the return and accompanying schedules as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 cents through 99 cents to the next higher dollar.

Income

1. Dividends.—Enter the total of all taxable dividends before exclusion.

2. Interest income.—Enter the total of all taxable interest before exclusion. See instruction for line 20 for exclusion information. Include any original issue discount as explained in **Publication 550,** Investment Income and Expenses.

3. Partnership income or (loss).—Enter on line 3 all income or (losses) from partnerships except the following:

- Dividends (enter on line 1).
- Interest (enter on line 2).
- Capital gain or (loss) (from Schedule D (Form 1041)) (enter on line 7).
- Ordinary gain or (loss) (from Form 4797) (enter on line 8).

Also please write the partnership name and employer identification number on line 3. If there is more than one partnership, list the names and numbers on an attached sheet.

4. Income from another estate or trust.—Enter on line 4 all income from another estate or trust except the following:

- Dividends (enter on line 1).
- Interest (enter on line 2).
- Capital gain or (loss) (from Schedule D (Form 1041)) (enter on line 7).
- Ordinary gain or (loss) (from Form 4797) (enter on line 8).

Write the name of the other estate or trust and the employer identification number on line 4. If there is more than one other estate or trust, list the names and numbers on an attached sheet.

5. Net rent and royalty income or (loss).—Enter the net rent and royalty income or (loss) from Schedule A (Form 1041) line 44. Attach Form 4562, Depreciation and Amortization, to explain the depreciation. Attach a computation to explain the depletion.

6. Net business and farm income or (loss).—Enter the net profit or (loss) from business and farming during the tax year. Attach Schedule C (Form 1040), Profit or (Loss) from Business or Profession, to report the business income and Schedule F (Form 1040), Farm Income and Expenses, to report the farm income. Complete all information on Schedules C and F (Form 1040) that applies to the estate or trust.

For a trust, divide the deductions for depreciation, depletion, and amortization between the fiduciary and the beneficiaries as specified in the trust instrument. If the trust instrument does not so specify, divide these deductions on the same basis as the trust instrument provides for dividing the income between the fiduciary and the beneficiaries. For an estate, divide these deductions between the estate and the beneficiaries in the same way the estate income is allocated to each. See **Publication 559** and regulations sections 1.642(e)–1, 1.642(f)–1, 1.167(h)–1, and 1.611–1(c) for more information about the division of these deductions. For business income, use Schedule C (Form 1040) to report the fiduciary's share of these deductions, and use Schedule K–1 (Form 1041) to report the beneficiary's share. For farm income, use Schedule F (Form 1040) to report the fiduciary's share of depreciation, and use Schedule K–1 (Form 1041) to report the beneficiary's share.

You may not deduct the part of wages and salaries paid or incurred that is equal to the total jobs credit allocated to the fiduciary and the beneficiaries. See **Publication 906**, Jobs and Research Credits, and Form 5884, Jobs Credit, for more information.

7. Capital gain or (loss).—Enter from Schedule D (Form 1041) the gain or (loss) from the sale or exchange of capital assets.

8. Ordinary gain or (loss).—Enter from Form 4797 the gain or (loss) from the sale or exchange of property other than capital assets and also from involuntary conversions (other than casualty or theft). For more information, see the instructions for Form 4797.

9. Other income.—Enter the total taxable income not reportable elsewhere on page 1. State the nature of the income. Attach a separate sheet if necessary.

Report on line 9 wages and salaries received by the decedent's estate that are income in respect of a decedent. See **Publication 559** for more information.

If the estate or trust is a shareholder of a subchapter S corporation, report as ordinary income or (loss) on line 9 its share of both the distributed and undistributed taxable income from the corporation, except the part reportable on Schedule D (Form 1041) as a long-term capital gain. (A subchapter S corporation is one that qualifies to have its undistributed taxable income taxed directly to the shareholders rather than to the corporation.)

Also report on line 9 any part of a lump-sum distribution shown on Form 1099R that is treated as ordinary income. For more information, see the separate instructions for Form 4972, Special 10-Year Averaging Method, and Form 5544, Multiple Recipient Special 10-Year Averaging Method.

Under certain situations, you must report as income on line 9 the amount of any credit or refund you received in 1982 for an overpayment of windfall profit tax for 1981, due to overwithholding or the net income limitation. In general, the amount of credit or refund you received is income to the extent you deducted windfall profit tax withheld in 1981 on Form 1041, and received a tax benefit for the deduction on your 1981 Form 1041.

Do NOT include as income the amount of any royalty owners credit claimed for tax year 1981.

Deductions

Deductions that may be allowable for estate tax purposes.—Administration expenses and losses deductible on Form 706 may be deducted instead on Form 1041 if the fiduciary files a statement waiving the right to deduct the expenses and losses on Form 706. The statement must be filed before the expiration of the statutory period of limitation applicable to the tax year for which the deduction is claimed. You cannot deduct on Form 1041 a decedent's medical and dental expenses that are paid by the fiduciary. See **Publication 559** for more information.

11. Interest.—Enter any deductible interest paid or accrued that is not deductible elsewhere on Form 1041. Do not include interest on a debt that was incurred or continued in order to buy or carry obligations that yield tax-exempt interest. If unpaid interest is due related persons, see **Publication 545**, Interest Expense, for more information.

For a trust, the interest deduction for investment property is limited if the investment interest expense is more than the investment income as computed using the special rules in the instructions for Form 4952, Investment Interest Expense Deduction.

For an estate, the interest deduction for investment property may be limited if the investment interest is more than $10,000. Use Form 4952 to figure the deduction.

If the allowable part of the excess investment interest expense is deductible, write "Form 4952 attached" on line 11. Then add the deductible interest figured on Form 4952 to the other types of interest deductible on line 11 and enter the total on line 11.

12. Taxes.—Enter any deductible taxes paid or accrued during the tax year that are not deductible elsewhere on Form 1041.

Deductible taxes include:

- State or local income or real property tax.
- The windfall profit tax imposed by section 4986. Generally, the first purchaser of the crude oil will notify you on Form 6248, Annual Information Return of Windfall Profit Tax, of the amount of windfall profit tax withheld during the calendar year.

13. Charitable deduction.—Figure the charitable deduction on Schedule B (Form 1041) and enter the total from Schedule B (Form 1041) line 53.

14. Fiduciary fees.—Enter the total deductible fees paid to the fiduciary for administering the estate or trust during the tax year.

15. Attorney, accountant, and return preparer fees.—Enter the total deductible attorney, accountant, and return preparer fees paid for the estate or trust during the tax year.

16. Other deductions.—Attach a separate sheet listing all authorized deductions that are not deductible elsewhere on Form 1041. Enter the total on line 16.

Nontrade or nonbusiness and nonfarm expenses.—Include the following expenses.

- For the production or collection of taxable income.
- For the management, conservation, or maintenance of property held for the production of taxable income.
- In connection with the determination, collection, or refund of any tax.

Include on Schedule D (Form 1041) as losses on capital assets any losses on worthless bonds and similar obligations and nonbusiness bad debts.

See **Publication 529**, Miscellaneous Deductions, for more information on expenses of producing income.

Bond premium(s).—The rules for amortizing bond premiums are different for taxable bonds and tax-exempt bonds.

For taxable bonds:

- You may elect to amortize the premium.
- Only the fiduciary may make the election for the estate or trust.
- The basis must be reduced if you elect to amortize.

For tax-exempt bonds:

- You must amortize the premium.
- You may not deduct the amortization of premium from income.
- The basis must be reduced by the amortization of the premium.

For more information, see **Publication 550.**

If you claim a bond premium deduction for the estate or trust, figure the deduction on a separate sheet and attach it to this return.

Nonbusiness casualty and theft losses.—Use Form 4684 to report nonbusiness casualty and theft losses.

If you have (a) any sales, exchanges, or involuntary conversions (other than casualty or theft) of property used in a trade or business and (b) involuntary conversions (other than casualty or theft) of certain capital assets, you must use Form 4797.

See **Publication 547**, Tax Information on Disasters, Casualties and Thefts, for more information.

Net operating loss deduction.—You may claim a net operating loss figured in the same way as for an individual, except that you must exclude the income and deductions attributable to the grantor (etc.) under sections 671 through 678 and you may not deduct any distributions to beneficiaries or charitable contributions. For more information, see **Publication 536**, and **Form 1045**, Application for Tentative Refund. If you claim a net operating loss deduction for the estate or trust, figure the deduction on a separate sheet and attach it to this return.

Fiduciary's share of depreciation and depletion not claimed elsewhere.—If you cannot deduct the depreciation and depletion as rent or royalty expenses on Schedule A (Form 1041) or as business or farm expenses on Schedules C and F (Form 1040), itemize the fiduciary's share of the deductions on an attached sheet. Include the fiduciary's share of the deductions on line 16. Itemize each beneficiary's share of the deductions on Schedule K–1 (Form 1041) line 4(c). See the instructions for Schedule A (Form 1041) for more information including the rules for dividing the deductions between the fiduciary and the beneficiaries.

Amortization deductions.—You may take the amortization deductions for the following:

- Pollution control facilities.
- Child care facilities.
- Reforestation costs (estates only).

If you cannot deduct the amortization deductions as business, farm, or rental expenses, itemize the fiduciary's share of the deductions on an attached sheet. Divide the amortization deductions between the fiduciary and the beneficiaries in the same way that the depreciation and depletion deductions are divided. Include the fiduciary's share of the amortization deductions on line 16. Itemize each beneficiary's share of the deductions on Schedule K–1 (Form 1041) line 4(d). See **Publication 535**, Business Expenses, and regulations section 1.642(f)–1 for more information.

Unallowable deductions.—You may not deduct expenses allocable to tax-exempt income. For more information, see **Publications 550** and **559.**

For information on how to treat interest paid or accrued on tax-exempt income, see the instructions for line 11 and for Schedule C (Form 1041).

For the special rules on real property construction period interest and taxes for trade or business and activities conducted for profit, see **Publication 535.**

For information on unpaid expenses due related persons, see **Publication 550.**

For the limit on deductions involving business use of a home and rental of a vacation home, see **Publication 530,** Tax Information for Homeowners.

For the rules on the tax year for a deduction including the limit for expenses paid in advance, see **Publication 538.**

For the limit on deductions for certain farming syndicates, see **Publication 535.**

19. Income distribution deduction.—If line 10 is more than line 17, enter the difference of line 10 and line 17 on line 18 and on line 54 and complete Schedule C (Form 1041). If line 17 is more than line 10, enter zero on line 19 and do not complete Schedule C (Form 1041).

Special Rules for Simple Trusts—

Simple Trusts Without Capital Gains or Losses.—*(a) Reporting Income and Deductions.*—Complete lines 1 through 18 according to their instructions.

(b) Determining Taxable Income and Tax.—If the amount shown on line 18 is not more than the amount of income required to be distributed currently (minus the tax-exempt income reduced by the allocable expense) enter on line 19 the amount shown on line 18, skip lines 20–24 and enter zero on line 25. Then complete the rest of page 1 and the applicable parts of page 2.

If the amount shown on line 18 is more than the amount of income required to be distributed currently (minus the tax-exempt income reduced by the allocable expense), enter on line 19 the amount of income required to be distributed currently (minus the tax-exempt income reduced by the allocable expense) and complete the rest of page 1 and the applicable parts of page 2.

Simple Trusts With Capital Gains or Losses.—Report capital gains and losses in Schedule D (Form 1041), and:

(a) If all capital gains are allocable to corpus, enter on line 19 the amount of income (minus the tax-exempt income reduced by the allocable expense), other than capital gains, required to be distributed currently.

(b) If all capital gains are allocable to income, enter on line 19 the amount of income (minus the tax-exempt income reduced by the allocable expense), including capital gains, required to be distributed currently.

(c) If line 7 shows a loss, the loss cannot be carried forward to Schedule K–1 (Form 1041). Enter on line 19 the amount of income required to be distributed currently without reduction for capital losses.

(d) If line 8 shows a loss, treat the loss as a deduction in computing income required to be distributed currently.

For treatment of capital gain dividends and undistributed capital gains of regulated investment companies, see Schedule D (Form 1041) Instructions.

If the simple trust received extraordinary dividends or taxable stock dividends or both, which the trustee, acting in good faith, does not pay or credit to any beneficiary because they were determined to be allocable to corpus under the terms of the governing instrument and local law, exclude the dividends from distributable net income. If line 1 includes any dividends treated in this way, exclude them from the amount on line 19 and from Schedule K–1 (Form 1041), and attach an explanatory statement.

Do not complete Schedules B and C for a simple trust.

Cemetery perpetual care fund.—On line 19, deduct the amount, not more than $5 per gravesite, paid for maintenance of cemetery property. Write the number of gravesites to the right of the entry space for line 19. Also write "Section 642(i) trust" in parentheses after the trust's name at the top of Form 1041. You do not have to file Schedules C (Form 1041) and K–1 (Form 1041).

20. Dividend and interest exclusion.—You may exclude from income on line 20 the first $100 (or less) of income from qualified dividends from domestic corporations. However, if any dividends are distributable to the beneficiaries, this exclusion must be reduced by $100 times the percentage of the total dividends that are distributable.

This exclusion does not apply to dividends received from the following:

(a) Exempt organizations (charitable, fraternal, etc.) and farmers' cooperative organizations.

(b) Regulated investment companies, unless the company designates that the dividends qualify for the exclusion.

(c) Real estate investment trusts unless the trust designates that the dividends qualify for the exclusion.

All-Savers Certificates (estates only).—An All-Savers Certificate is a one-year certificate issued by a qualified savings institution after September 30, 1981, and before January 1, 1983, that has a yield equal to 70% of the average investment yield on 52-week Treasury bills. (For a definition of "qualified savings institution," see **Publication 550.**)

Some or all of the interest from an All-Savers Certificate acquired by the decedent's estate because of the decedent's death may qualify for exclusion on line 20.

If the decedent's estate may exclude any interest from an All-Savers Certificate, write "ASC" and the amount of the exclusion on line 20, and include it in the total figure entered in the amount column for line 20. Trusts and estates may not exclude interest from All-Savers Certificates that they purchase.

The $1,000 lifetime exclusion is applied as if the estate were the decedent. The $1,000 exclusion must be reduced by any exclusion the estate or decedent claimed in a prior tax year.

If you redeem any part of an ASC before its maturity, you may NOT exclude any interest received from that certificate during the year. If you exclude interest in one year, and redeem the certificate before its maturity in the next year, you must include in income in the year you redeem the certificate any interest you excluded in the prior year.

If you use all or part of the certificate as collateral or security for a loan, you are treated as having redeemed the certificate early.

21. Estate tax deduction.—See **Publication 559** and section 691(c) and related regulations for information on how to figure the estate tax deduction. Figure the deduction on a separate sheet. Attach the sheet to your return. Enter the fiduciary's share on line 21.

22. Long-term capital gain deduction.—Enter the long-term capital gain deduction from Schedule D (Form 1041). If all of the capital gain deduction is attributable to amounts paid or permanently set aside for a charitable purpose, check the box for charity to indicate that it is not a tax preference item.

23. Exemption.—For an estate the deduction is $600. For a trust that has to distribute currently all its income as determined under the governing instrument, the deduction is $300. For any other trust, the deduction is $100. See **Publication 559** and regulations section 1.642(b)–1 for exceptions and for more information including a change in accounting period.

26a. Tax rate schedule.—Figure the tax using the tax rate schedule below. Enter the amount of the tax on line 26a.

Tax Rate Schedule

If line 25 is: Enter on line 26a:

Not over $1,050... 12% of the amount on line 25

Over—	but not over—		of excess over—
1,050	—2,100	126+14%	—1,050
2,100	—4.250	273+16%	—2,100
4,250	—6,300	617+19%	—4,250
6,300	—8.400	1,006.50+22%	—6,300
8,400	—10,600	1,468.50+25%	—8,400
10,600	—13,250	2,018.50+29%	—10,600
13,250	—15,900	2,787.00+33%	—13,250
15,900	—21,200	3,661.50+39%	—15,900
21,200	—28,300	5,728.50+44%	—21,200
28,300	—41,100	8,852.50+49%	—28,300
41,100		15,124.50+50%	—41,100

26b. Other tax.—Include on line 26b any partial tax from the following. If there is more than one partial tax, list them on a separate sheet.

(a) Form 4972, Special 10-Year Averaging Method. (Attach the form to this return.)

(b) Form 5544, Multiple Recipient Special 10-Year Averaging Method. (Attach the form to this return.)

(c) Section 644 tax on trusts.

If the trust sells or exchanges property at a gain within 2 years after receiving it from a transferor, a section 644 tax may be due. The tax may be due if both (i) and (ii) below apply.

(i) There is an includible gain recognized by the trust.

(ii) At the time the trust received the property, the property had a fair market value higher than its adjusted basis.

The trustee is authorized by section 6103(e)(1)(A)(ii) to inspect the transferor's income tax return to the extent necessary to figure the section 644 tax if the transferor refuses to make a disclosure to the trustee.

Includible gain is the smaller of (i) or (ii) below:

(i) The gain recognized by the trust on the sale or exchange of the property.

(ii) The amount by which the fair market value of the property at the time of the initial transfer to the trust exceeds the adjusted basis of the property immediately after the transfer.

Figure the tax on the gain by subtracting item (ii) below from item (i) below:

(i) The transferor's tax for the year of the sale or exchange recomputed to include the recognized gain minus any deductions allocable to the gain.

(ii) The transferor's actual tax for the tax year of the sale or exchange.

See section 644 for additional information including character rules, special rules, exceptions, installment sale rules, and the interest on the tax if the transferor and the trust have different tax years.

If the section 644 tax is the only partial tax due, enter the amount of the tax on line 26b and write "section 644 tax" to the right of the amount column on line 26c. If there is more than one partial tax, include the amount of the section 644 tax in the total tax entered on line 26b. Attach the section 644 tax computation to the return. Do not include the section 644 gain in the trust's taxable income.

27a. Fiduciary's share of foreign tax credit.—Attach Form 1116, Computation of Foreign Tax Credit-Individual, Fiduciary, or Nonresident Alien Individual, if you elect to claim credit for income or profits taxes paid or accrued to a foreign country or a U.S. possession. You may claim credit for that part of the foreign taxes not allocable to the beneficiaries (including charitable beneficiaries). Enter the amount of credit on line 27a. See **Publication 559** for information about allocation to beneficiaries. See **Publication 514,** Foreign Tax Credit for U.S. Citizens and Resident Aliens, for more information about the foreign tax credit.

27b. Fiduciary's share of investment credit.—Figure the investment credit allocable to the fiduciary on an attached Form 3468, Computation of Investment Credit. Enter the amount of credit on line 27b. See **Publication 572,** Investment Credit, for additional information about this credit.

27c. Fiduciary's share of jobs credit.—Figure the credit allocable to the fiduciary on an attached Form 5884, Jobs Credit (and WIN Credit Carryover). Enter the amount of credit on line 27c. See **Publication 906,** Jobs and Research Credits, for more information.

WIN credit.—There is no separate section 40 WIN credit for wages paid in tax years beginning after December 31, 1981. If you have a WIN credit carryover or are the beneficiary of a 1981–1982 fiscal year estate or trust that has WIN wages, see the instructions for the 1982 Form 5884.

28a. Fiduciary's share of credit for alcohol used as fuel.—Figure the credit allocable to the fiduciary on an attached Form 6478, Credit For Alcohol Used As Fuel. Enter the amount of the credit on line 28a. Also report the allowable alcohol fuel tax credit on line 9, Other income.

28b. Credit for producing fuel from a nonconventional source.—If you claim any section 44D credit for producing fuel from a nonconventional source, figure the credit on a separate sheet. Write "section 44D computation" on the separate sheet and attach it to the return. Enter the amount of the credit on line 28b.

28c. Credit for increasing research activities.—Figure the credit allocable to the fiduciary on an attached Form 6765, Credit for Increasing Research Activities. Enter the amount of the credit on line 28c.

31a. Tax from refiguring fiduciary's share of an earlier year investment credit.—Figure the increase in tax allocable to the fiduciary on an attached Form 4255, Recapture of Investment Credit. Enter the amount of tax on line 31a. See **Publication 572** for more information.

31b. Minimum tax.—If you have items of tax preference, use Form 4626, Computation of Minimum Tax—Corporations and Fiduciaries, to figure the minimum tax allocable to the fiduciary. Enter the amount of tax on line 31b. Attach Form 4626 to this return. See the Form 4626 instructions for the $10,000 exclusion reduction rules for allocation of tax preference items to beneficiaries and short tax years.

Tax preference items under section 57 include the following:

- Accelerated depreciation on real property that is nonrecovery property or 15-year real property.
- Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property.
- Amortization of certified pollution control facilities.
- Depletion.
- Amortization of child care facilities.
- Intangible drilling costs.

See **Publication 909,** Minimum Tax and Alternative Minimum Tax, for more information.

32. Alternative minimum tax.—If you have tax preference items for long-term capital gains or adjusted itemized deductions, use Form 6251, Alternative Minimum Tax Computation, to figure the alternative minimum tax. Enter the amount of tax from Form 6251 on line 32. Attach Form 6251 to this return. See **Publication 909,** Minimum Tax and Alternative Minimum Tax, for more information.

34. Other credits.—If you claim more than one refundable credit on line 34, list them on a separate sheet and attach the applicable forms. These include:

- Credit from regulated investment companies—Attach copy B of Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains.
- Credit for Federal tax on special fuels, nonhighway gasoline, lubricating oil, and gasoline mixed with alcohol—Attach Form 4136, Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil.
- Overpaid windfall profit tax.—Attach Form 6249, Computation of Overpaid Windfall Profit Tax.

35a. Federal income tax previously paid.—If you claim credit for Federal income tax previously paid with Form 2758, Application for Extension of Time to File, attach Form 2758.

Note: *Do not include on Form 1041 estimated tax paid by an individual before death. Include it instead on the income tax return filed for the decedent.*

35b. Federal income tax withheld.—If you claim credit for Federal income tax erroneously withheld (and not repaid) by an employer on wages and salaries of a decedent received by the decedent's estate, attach Form W–2, Wage and Tax Statement.

If the estate or trust has a fiscal year ending after June 30, 1983, include on line 35b the income tax withheld on interest, dividend, and patronage dividend income paid after June 30, 1983, and before the end of the fiscal year that is allocated to the estate or trust. (Do not reduce the amount of the interest, dividend, or patronage dividend income reported on lines 1 and 2 by the amount of the income tax withheld.) The income tax withheld is allocated between the estate or trust and the beneficiaries on the basis of their respective shares of the interest, dividend, and patronage dividend income.

Schedule A (Form 1041)

Use Schedule A (Form 1041) to report the rent and royalty income.

For each property you list in column (a) of lines 39 through 42, enter the rent income in column (b) and the royalty income in column (c). In column (d) enter the fiduciary's share of depreciation or depletion. For a trust, divide the deductions for depreciation and depletion between the fiduciary and the beneficiaries as specified in the trust instrument. If the trust instrument does not so specify, divide the deductions on the same basis as the trust instrument provides for dividing the income between the fiduciary and the beneficiaries. For an estate, divide the deductions for depreciation and depletion between the estate and the beneficiaries in the same way the estate income is allocated to each. See **Publication 559** and regulations sections 1.642(e)–1, 1.167(h)–1, and 1.611–1(c) for more information about the division of these deductions. Attach Form 4562, Depreciation and Amortization, to explain the depreciation and a computation to explain the depletion. In column (e) enter other expenses and attach an explanation. Add the columns on line 43. Subtract the total of columns (d) and (e) from the total of (b) and (c) and enter the result on line 44 and on line 5 of Form 1041. For more information, see **Publication 527,** Rental Property.

Schedule B (Form 1041)

Use Schedule B (Form 1041) to figure the charitable deduction for an estate or a complex trust. Write the name and address of the charitable organization on an attached sheet. If you made a "qualified conservation contribution" under section 170(h), include the fair market value of the underlying property before and after the donation, and the type of legal interest contributed. Describe the conservation purpose furthered by the donation. If you elect to treat a charitable contribution as paid in the preceding tax year, you must file the statement described in regulations section 1.642(c)–1 with the return (or amended return) for the tax year in which the contribution is treated as paid. The statement must be filed by the due date including extensions for the return for the succeeding tax year. A trust claiming a charitable deduction must also file Form 1041–A, U.S. Information Return-Trust Accumulation of Charitable Amounts. For more information on the charitable deduction, see **Publication 559** and **Publication 526**, Charitable Contributions.

Figure the charitable deduction on an attached sheet instead of on Schedule B (Form 1041) if the trust is a:

- Pooled income fund.
- Nonexempt private foundation.
- Trust with unrelated business income.

For more information, see section 642(c) and related regulations.

Line 45.—Enter on line 45 the full amount paid or permanently set aside from the current year's income which qualifies for the charitable deduction. Do not include capital gain allocable to corpus. Do include capital gain treated as income under the governing instrument and local law.

Line 46.—Multiply the amount on line 45 by the total of all tax-exempt interest included in income of the current year. Then divide the result by the total of all income of the current year. (Do not subtract any losses, such as from the sale or exchange of property.) Enter the result on line 46.

Line 47a.—On line 47a enter the amount of long-term capital gain included in line 45. Figure this amount as follows. Multiply the amount on line 45 by the total of long-term capital gain allocated to income. Divide the result by the total of all the income of the current year. Do not include in the contribution to charity out of the current year's income, the long-term capital gain of the current year allocable to corpus and paid or permanently set aside for a charitable purpose. Instead, include this long-term capital gain on line 51, adjusted in the same way as explained above for other long-term capital gain.

Line 48.—Enter 60% of the amount on line 47a, 47b, or 47c whichever is the smallest.

Line 51.—Enter the total of all net short-term capital gain and 40% of the net long-term capital gain of the current year that is:

- allocable to corpus,
- paid or permanently set aside for charitable purposes,
- not included on line 45.

Line 52.—Enter the total of deductible amounts paid or permanently set aside for charitable purposes that are not attributable to income of the current year or capital gain included on line 51. Attach a statement to show the details.

Schedule C (Form 1041)

Separate share rule.—If a single trust has more than one beneficiary, and if different beneficiaries have substantially separate and independent shares, their shares are treated as separate trusts for the sole purpose of determining the amount of distributable net income allocable to the respective beneficiaries. If the separate share rule applies, figure the amount of the distributable net income allocable to each beneficiary on a separate sheet and attach the sheet to this return. For more information, see section 663(c) and related regulations.

Line 55a.—Figure the adjusted tax-exempt interest as follows. From the amount of tax-exempt interest received, subtract the total of (1) and (2) below:

(1) The amount of tax-exempt interest on Schedule B (Form 1041), line 46.

(2) Any expenses allowable under section 212 allocable to the tax-exempt interest, and any interest expense allocable to the tax-exempt interest.

Figure the amount of the section 212 expenses allocable to tax-exempt interest as follows. Divide the total tax-exempt interest received by the total of all the items of gross income (including tax-exempt interest) included in distributable net income. Multiply the result by the total section 212 expenses that are not directly attributable to any items of income.

Figure the interest expense allocable to tax-exempt interest according to the guidelines in Revenue Procedure 72–18, 1972–1 C.B. 740.

See **Publication 559** and regulations sections 1.643(a)–5, 1.265–1, and 1.265–2 for more information about the adjustments to tax-exempt interest.

Line 59.—If you are filing for an estate, skip this line. If you are filing for a complex trust, enter the amount of income for the tax year determined under the terms of the governing instrument and applicable local law. Do not include extraordinary dividends or taxable stock dividends determined under the governing instrument and applicable local law to be allocable to corpus.

Line 60.—Enter the amount of income of the estate or trust that is required to be distributed currently to all beneficiaries, whether it is distributed or not. The governing instrument and local law determine the items of income and whether an amount must be distributed currently. If the governing instrument requires that stated amounts be paid to a beneficiary and that these amounts may come from either income or corpus, include on line 60 any part of these amounts paid from income of the current year.

Line 61.—Enter other amounts actually paid, credited, or required to be distributed to beneficiaries in the tax year, whether from income or corpus.

Lines 60 and 61.—

Do not include on line 60 or 61:

- Any amounts deducted in an earlier year return that were required to be distributed in the earlier year.
- Any amount that is properly paid or credited as a gift or bequest of a specific amount of money or specific property. (To qualify as a gift or bequest, the amount must be paid in three or fewer installments.) An amount that can be paid or credited only from income is not considered a gift or bequest.
- Any amount paid or permanently set aside for charitable purposes or otherwise qualifying for the charitable deduction.

Line 62. Total.—Add the amounts on lines 60 and 61 and enter the total on line 62. If the amount on line 62 is more than the amount on line 59, complete Schedule J (Form 1041) and file it with Form 1041 unless the complex trust has no previously accumulated income.

Line 63.—Figure the amount to enter on line 63 as follows. From the amount of tax-exempt income included on lines 60 and 61, subtract the total of (1) and (2) below:

(1) The tax-exempt income included in any charitable deduction.

(2) The allocable share of expenses related to the tax-exempt income.

Figure the allocable share of expenses as follows. Divide the tax-exempt income by the total income. Multiply the result by the expenses not directly allocable to any item of income.

Question 70.—The purpose of this question is to remind you NOT to deduct on page 1 the share of the expenses allocable to tax-exempt income. For example, deduct only one-half the fiduciary fees on line 14 if one-half of the income is tax-exempt. For more information, see **Publications 550** and **559**.

If you receive tax-exempt income, figure the allocation of expenses between tax-exempt and taxable income on a separate sheet and attach it to the return. Enter only the deductible amounts on the return. Do NOT figure the allocation on the return itself.

Question 71.—Check the "Yes" box for a complex trust making the section 663(b) election to treat any amount properly paid or credited to a beneficiary within the first 65 days following the close of the tax year as an amount that was properly paid or credited on the last day of the preceding tax year.

Question 72.—All salaries, wages, and other compensation for personal services must be included in the return of the person who earned the income, even though the income was irrevocably assigned to a trust by a contract assignment or similar arrangement.

The grantor or person creating the trust is considered the owner if he or she keeps "beneficial enjoyment" of the trust property or substantial control over the trust property. The trust's income, deductions, and credits are allocable to the owner.

If you checked "Yes" for Question 72, see the entity instructions for "Grantor Type Trust."

Question 73.—Check the "Yes" box if either (1) or (2) below applies.

(1) At any time during the year the estate or trust had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country. **Exception:** Check "No" if either of the following applies to the estate or trust:

- The combined value of the accounts was $1,000 or less during the whole year; OR
- The accounts were with a U.S. military banking facility operated by a U.S. financial institution.

(2) The estate or trust owns more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get Form 90–22.1 to see if the estate or trust is considered to have an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.

If you checked "Yes" for Question 73, file Form 90–22.1 by June 30, 1983, with the Department of the Treasury at the address shown on the form. Form 90–22.1 is not a tax return, so do not file it with IRS. But be sure to file Form 1041 with IRS.

You can get Form 90–22.1 from many IRS offices or by writing to the IRS forms distribution center for your State listed in the instructions for Form 1040.

[illegible]

line 13 of [illegible]

capital income [illegible]

14, subtract the total of (1) and (2) [illegible]

[illegible]

SCHEDULE D
(Form 1041)
Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ File with Form 1041. See the separate instructions.

OMB No. 1545-0092

1982

Name of estate or trust

Employer identification number

Do not report section 644 gains on Schedule D; see Form 1041 instruction for line 26b.

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Kind of property and description (example, 100 shares of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price less expense of sale	(e) Cost or other basis, as adjusted (see instructions)	(f) Gain or (loss) (col. (d) less (e))
1					

2 Short-term capital gain from installment sales from Form 6252, line 21 or 29	2	
3 Enter net short-term gain or (loss) from partnerships and other fiduciaries	3	
4 Net gain or (loss), combine lines 1 through 3	4	
5 Short-term capital loss carryover (See instructions)	5	( )
6 Net short-term gain or (loss), combine lines 4 and 5. Enter here and on line 16 below . . . . ▶	6	

Part II Long-Term Capital Gains and Losses—Assets Held More than One Year

7					

8 Long-term capital gain from installment sales from Form 6252, line 21 or 29	8	
9 Enter net long-term gain or (loss) from partnerships and other fiduciaries	9	
10 Capital gain distributions	10	
11 Enter gain, if applicable, from Form 4797	11	
2 Enter net long-term gain from small business corporations (subchapter S)	12	
3 Net gain or (loss), combine lines 7 through 12	13	
4 Long-term capital loss carryover (See instructions)	14	( )
5 Net long-term gain or (loss), combine lines 13 and 14. Enter here and on line 17 below . . . . . . ▶	15	

Part III Summary of Parts I and II

		(a) Beneficiaries	(b) Fiduciary	(c) Total
6 Net short-term gain or (loss) from line 6, column (f) above	16			
7 Net long-term gain or (loss) from line 15, column (f) above	17			
8 Total net gain or (loss) . . . . ▶	18			

Enter on Form 1041, line 7, the net gain shown on line 18, column (c), above. If net (loss) on line 18, column (c), above, enter the amount computed on line 25b as a (loss) on Form 1041, line 7.

or Privacy Act and Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 1041.

Part IV Computation of Capital Gain Deduction

19 Net long-term capital gain shown on line 17, column (c) 19

20 Net short-term capital loss shown on line 16, column (c) . . . . 20 ( )

21 Excess of line 19 over line 20 21

22 Net long-term capital gains taxable to beneficiaries (add line 3(b) amounts from all separate Schedules K–1 (Form 1041)) 22

23 Balance (subtract line 22 from line 21) . . . . ▶ 23

24 Enter here and on Form 1041, line 22, 60% of the amount on line 23 24
(If this amount is other than zero, you may be liable for the alternative minimum tax. See Form 6251.)

Part V Computation of Capital Loss Limitation

25 If losses are shown on both lines 14 and 15 which are the result of a long-term capital loss carryover from years beginning before 1970, check here ▶ ☐ and compute the net capital loss on an attached sheet. See sections 1.1211–1 and 1.1212–1 of the regulations. Enter on line 25a the net capital loss computed on the attached sheet.

Otherwise,

a Enter one of the following amounts if there is no long-term capital loss carryover from years beginning before 1970:

(*i*) If amount on line 16, column (c) is zero or a net gain, enter 50% of amount on line 18, column (c);

(*ii*) If amount on line 17, column (c) is zero or a net gain, enter amount on line 18, column (c); or

(*iii*) If amounts on line 16, column (c) and line 17, column (c) are net losses, enter amount on line 16, column (c) added to 50% of amount on line 17, column (c) 25a

b Enter here and enter as a (loss) on Form 1041, line 7, the smallest of:

(*i*) The amount on line 25a;

(*ii*) $3,000; or

(*iii*) Taxable income computed without regard to capital gains and losses and the deduction for exemption . ▶ 25b ( )

Part VI Computation of Post-1969 Capital Loss Carryovers from 1982 to 1983

(Complete this part if the loss on line 25a is more than the loss on line 25b)

Note: You do not have to complete Part VI on the copy you file with IRS.

Section A.—Short-term Capital Loss Carryover

26 Enter loss shown on line 6; if none, enter zero and skip lines 27 through 31—then go to line 32 26

27 Enter gain shown on line 15. If that line is blank or shows a loss, enter zero 27

28 Reduce any loss on line 26 to the extent of any gain on line 27 28

29 Enter amount shown on line 25b 29

30 Enter smaller of line 28 or 29 30

31 Subtract line 30 from line 28. This is your short-term capital loss carryover from 1982 to 1983 31

Section B.—Long-term Capital Loss Carryover

32 Subtract line 30 from line 29 (**Note:** *If you skipped lines 27 through 31, enter amount from line 25b*) 32

33 Enter loss from line 15; if none, enter zero and skip lines 34 through 37 33

34 Enter gain shown on line 6. If that line is blank or shows a loss, enter zero 34

35 Reduce any loss on line 33 to the extent of any gain on line 34 35

36 Multiply amount on line 32 by 2 36

37 Subtract line 36 from line 35. This is your long-term capital loss carryover from 1982 to 1983 37

1982 Department of the Treasury
Internal Revenue Service

Instructions for Schedule D (Form 1041)

Capital Gains and Losses

References are to the Internal Revenue Code, unless otherwise noted.

Purpose. Schedule D (Form 1041) is used by the fiduciary to report gains and losses from the sale or exchange of capital assets by an estate or trust. Fiduciary means trustee, executor, executrix, administrator, administratrix, or person in possession of property of a decedent's estate.

General Instructions

In certain cases you may have to use Form **4797**, Supplemental Schedule of Gains and Losses. Use Form 4797 to report any of the following:

- The sale, exchange, or involuntary conversion (other than casualty or theft) of business property, certain depreciable and amortizable property, and certain oil and gas property.
- The involuntary conversion (other than casualty or theft) of certain capital ssets.
- The disposition of other noncapital assets not mentioned above.

If property is involuntarily converted because of a casualty or theft, use **Form 4684**, Casualties and Thefts.

Each item of property held by the estate or trust (whether or not connected with its rade or business) is a capital asset except: (1) inventoriable assets or property held primarily for sale to customers; (2) depreciable or real property used in the rade or business; (3) certain copyrights, iterary, musical, or artistic compositions, etters or memorandums or similar property; (4) accounts or notes receivable acquired in the ordinary course of trade or usiness for services rendered or from the ale of property described in (1); (5) certain short-term Federal, State, and municipal obligations acquired before June 24, 981, and issued on or after March 1, 941, on a discount basis; and (6) certain ederal publications not purchased at the ublic sale price. On the sale or exchange f certain short-term Government obligations acquired after June 23, 1981, (see em 5 above), any gain realized which oes not exceed the ratable share of the cquisition discount is ordinary income. ain in excess of such amount is gain om the sale or exchange of a capital asset eld less than 1 year.

You may find additional helpful information in the following publications that are vailable from the Internal Revenue ervice.

Publication 559, Tax Information for urvivors, Executors, and Administrators.

Publication 544, Sales and Other Dispositions of Assets.

Publication 551, Basis of Assets.

Publication 537, Installment Sales.

Publication 547, Tax Information on Disasters, Casualties, and Thefts.

Who must file. The fiduciary (or one of e joint fiduciaries) must file Schedule D (Form 1041) with Form 1041 to report gains and losses from the sale or exchange of capital assets by an estate or trust.

Alternative minimum tax. If any capital gains are allocated to the estate or trust during the tax year, the fiduciary may be required to attach Form 6251 to Form 1041 for the alternative minimum tax imposed by section 55. For more information see the Instructions for Form 6251.

Section 644 tax on trusts. If a trust sells or exchanges property at a gain within 2 years after receiving it from a transferor, a special tax may be due. Do not include section 644 gains on Schedule D. The tax is reported separately on Form 1041. For more information see the Form 1041 instruction for line 26(b).

Transfer of appreciated property to a political organization. If an estate or trust transfers property to a political organization as defined in section 527(e)(1) and if at the time of the transfer the fair market value of the property is more than the adjusted basis, treat the transfer as a sale of property on the date of transfer. Report the fair market value of the property at the time of transfer as the sale price. Ordinary income or capital gain provisions apply as if a sale had actually occurred. For more information, see section 84 and **Publication 559.**

Exchange of "like kind" property. In most cases, no gain or loss is recognized when property held for productive use in a trade or business or for investment is exchanged solely for property of a "like kind" to be held either for productive use in a trade or business or for investment. (This does not include stock in trade or other property held primarily for sale, stocks, bonds, notes, choses in action, certificates of trust or beneficial interest, or other securities or evidences of indebtedness or interest.) However, report these transactions on Schedule D or Form 4797, whichever is applicable. If you use Schedule D, identify in column (a) the property disposed of. Enter the date of acquisition in column (b) and the date of exchange in column (c). Write "like kind exchange" in column (d) and enter the adjusted basis in column (e). Enter zero in column (f). See **Publication 544** and the Form 4797 instructions for more information.

Losses in transactions between certain persons. Do not deduct a loss from the sale or exchange of property directly or indirectly between any of the following:

- A grantor and a fiduciary of a trust.
- A fiduciary and beneficiary of the same trust.
- A fiduciary and a fiduciary or beneficiary of another trust created by the same grantor.
- A trust fiduciary and a corporation of which more than 50% in value of the outstanding stock is owned directly or indirectly by or for the trust or by or for the grantor of the trust.

See **Publication 544** for more information.

Estate tax deduction for income in respect of a decedent. These instructions apply only if gain is reported for income in respect of a decedent for which an estate tax deduction is allowable. See **Publication 559** for information about income in respect of a decedent, installment obligations, and the estate tax deduction. In general, the limitation in section 691(c)(4) reduces the capital gain by the estate tax deduction for purposes of computing the capital gain deduction or the capital loss limitation. If this limitation applies, figure it on a separate sheet and attach the sheet to Schedule D.

Specific Instructions

Line 1. Short-term capital gains and losses.—When you list the capital gains and losses, separate them according to how long the estate or trust held or owned the property. The holding period for determining short-term capital gains and losses is 1 year or less. The holding period for determining long-term capital gains and losses is more than 1 year.

To figure the holding period.—When you figure the length of the period the estate or trust held property, begin counting on the day after the estate or trust got the property and include the day the estate or trust disposed of it.

Itemize on line 1 the short-term capital gains and losses. Property acquired by a decedent's estate from the decedent and sold or otherwise disposed of within 1 year is considered as held for more than 1 year. Itemize the long-term capital gains and losses for the decedent's estate on line 7.

See the Instructions for Form 6781, Gains and Losses From Commodity Futures Contracts and Straddle Positions, if you are reporting gains or losses from commodity futures contracts or straddle positions that you held during the tax year. Include in basis interest and carrying charges allocable to personal property that is part of a straddle. You cannot deduct these expenses. See sections 1092 and 263(g) for more information.

Column (d). Gross sales price less expense of sale.—Enter the selling price of the property sold minus any expense of sale such as broker's fee, commission, etc.

Column (e). Cost or other basis, as adjusted.—Enter the cost or adjusted basis of the property sold or exchanged. The basis of property acquired from or passing from a decedent is generally the fair market value at the date of death. For more information, see **Publication 551** and **Publication 559.**

For an election under section 2032A (special valuation for farm or business real property), use the rules in 2032A to determine basis.

For a transfer subject to the generation-skipping transfer tax, use the rules in section 2614(a) to determine basis.

Carryover basis determined under repealed section 1023 applies to property acquired from a decedent who died after December 31, 1976, and before November 7, 1978, only if the personal representative elected it on a **Form 5970-A,** Election of Carryover Basis, that was filed on time.

The basis of property acquired by gifts made before January 1, 1977, generally is the basis of the property in the hands of the donor plus any gift tax paid. For gifts made after December 31, 1976, only part of the gift tax may be added to the basis of the property in the hands of the donor. See Publication 551 for more information and an example.

Generally, for property placed in service after December 31, 1982, the fiduciary must reduce the basis of regular and energy investment credit property by one-half of any investment credit allowable for the property. The basis reduction is not required for regular investment credit property if the fiduciary elects to take a reduced credit. If the election is made, each beneficiary must be notified. See section 48(q) and the Instructions for Form 3468 for more information.

For more information dealing with basis, income in respect of a decedent, compulsory or involuntary conversions, and pecuniary bequests involving special value farm or business real property (section 2032A), see the following:

- Section 1014, Basis of Property Acquired from a Decedent.
- Section 1015, Basis of Property Acquired by Gifts and Transfers in Trust.
- Section 1016, Adjustments to Basis.
- Section 1040, Transfer of Certain Farm, Etc., Real Property.
- **Publication 448,** Federal Estate and Gift Taxes.
- **Publication 551,** Basis of Assets.
- **Publication 559,** Tax Information for Survivors, Executors, and Administrators.

Attach an explanation if the basis used is other than the actual cash cost of the property.

Lines 2 and 8. Installment sales.—If you sold estate or trust property at a gain this year and are to receive any payment in a later tax year, you must use the installment method and file Form 6252, Computation of Installment Sale Income, unless you elect not to.

If you elect not to use the installment method and are reporting a note or other obligation at less than full face amount, state that fact in the margin and give the percentage of valuation.

Also use Form 6252 if you received a payment in 1982 from a sale made in an earlier year on the installment basis.

If you file Form 6252, enter on Schedule D (Form 1041), line 2, the short-term capital gain from installment sales from Form 6252, line 21 or 29. Enter on Schedule D (Form 1041), line 8, the long-term capital gain from installment sales from Form 6252, line 21 or 29.

See **Publications 537** and **559** for more information.

Line 5. Short-term capital loss carryover.—See **Publication 544** and **Publication 550,** Investment Income and Expenses, for information on how to figure the capital loss carryover. Enter the short-term capital loss carryover on line 5.

Line 7. Long-term capital gains and losses.—Itemize the long-term capital gains and losses. See the line 1 instructions for the holding period rules for determining short- and long-term capital gains and losses. See the column (e) instructions for determining basis.

Attach an explanation if the basis used is other than the actual cash cost of the property.

Redemption of stock to pay death taxes.—If stock is redeemed under the provisions of section 303, list and identify it on line 7 and give the name of the decedent and the IRS office where the estate tax or generation-skipping tax return was filed.

If you are reporting capital gain from a lump-sum distribution from Form 4972, Special 10-Year Averaging Method, or Form 5544, Multiple Recipient Special 10-Year Averaging Method, see the instructions for those forms for information about the death benefit exclusion and the Federal estate tax.

See the Instructions for Form 6781, Gains and Losses From Commodity Futures Contracts and Straddle Positions, if you are reporting gains or losses from commodity futures contracts or straddle positions that you held during the tax year. Include in basis interest and carrying charges allocable to personal property that is part of a straddle. You cannot deduct these expenses. See sections 1092 and 263(g) for more information.

Line 8. Installment sales.—See the line 2 instructions. Enter on Schedule D (Form 1041), line 8, the long-term capital gain from installment sales from Form 6252, line 21 or 29.

Line 10. Capital gain distributions.—Enter any amounts shown on Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains, that represent the estate or trust's share of the undistributed capital gains of a regulated investment company. Include on Form 1041, line 34, the tax paid by the company as shown on Form 2439. To the basis of the stock, add the excess of the amount included in income over the credit if the amount is not distributed. If the amount is distributed to beneficiaries, treat it as a cash distribution by the regulated investment company.

Line 14. Long-term capital loss carryover.—See **Publication 544** and **Publication 550** for information on how to figure the capital loss carryover. Enter the long-term capital loss carryover on line 14.

Line 16, column (a).—Net short-term capital gain or loss allocated to beneficiaries.—Enter the amount of net short-term capital gain or loss allocable to the beneficiary or beneficiaries. Include only those short-term capital losses that are taken into account in determining the amoun of gain from the sale or exchange of cap tal assets that is paid, credited, or r quired to be distributed to any beneficiar during the tax year. See **Publication 55** and regulations section 1.643(a)–3 fo more information about allocation of cap ital gains and losses.

Line 16, column (b).—Net short-term capital gain or loss allocated to the fidu ciary.—Enter the amount of the net shor term capital gain or loss allocable to th fiduciary. Include any capital gain paid o permanently set aside for the charitabl purpose specified in section 642(c).

Except for the final year of an estate o trust, if the losses from the sale or e change of capital assets are more than th gains, all of the losses are allocated to th fiduciary and none are allocated to th beneficiaries. For more information se **Publication 559.**

Line 16, column (c).—Total.—Ente the total of the amounts entered in co umns (a) and (b). The amount in colum (c) should be the same as the amount o line 6.

Line 17. Net long-term capital gain o loss.—Treat the net long-term capital ga or loss on line 17 the same as the net shor term capital gain or loss on line 16.

Line 25. Capital loss limitation.—If t sum of all the capital losses is more tha the sum of all the capital gains (all th gains and losses are taken into account a 100%), then these capital losses are a lowed as a deduction only to the exte of (1) current year capital gains plus (2 the smallest of: (a) the taxable income, a adjusted, of the current year, (b) $3,000, (c) the sum of (i) the excess of the n short-term capital loss over the net lon term capital gain, and (ii) one-half of th excess of the net long-term capital lo over the net short-term capital gain. F this purpose, taxable income is figur without capital gains or losses or the d duction for exemption. See **Publication 5** and **Publication 550.**

Part VI. Computation of Post-1969 Ca tal Loss Carryovers from 1982 to 1983. Complete Part VI to figure the capital lo carryover if you have only post-1969 ca ital losses and this is not the final ye **Note:** You do not have to complete P VI on the copy you file with IRS. Y cannot use Part VI to figure your capi loss carryover if you have pre-1970 ca tal losses. In most cases, the excess allowable losses over the sum of items (and (2) in instruction 25 is called "capi loss carryover." However, section 1212((2) contains a special rule for figuring t long-term capital loss carryover which, general, prevents 50% of net long-te capital loss from being carried forward a capital loss carryover. Capital loss ca over may be carried forward indefinite Capital losses keep their character either short-term or long-term when c ried over to the following year. To the tent the capital loss limitation is deduc from ordinary income, consider the short-term capital loss as deducted f For more information, see **Publication** and **Publication 550.**

SCHEDULE J
(Form 1041)
Department of the Treasury
Internal Revenue Service

Information Return

Trust Allocation of an Accumulation Distribution (I.R.C. Section 665)

For a domestic complex trust with tax year beginning ...., 1982, and ending ...., 19........
which distributed income accumulated in earlier years. (See separate instructions)

OMB No. 1545-0092

1982

Name of trust

Employer identification number

Part I Accumulation Distribution in 1982

For definitions and special rules, see the regulations under sections 665–668 of the Internal Revenue Code. See the instructions for Form 4970 for certain income minors may exclude and special rules for multiple trusts.

1 Enter amount from Form 1041, line 61, for 1982	1	
2 Enter amount from Form 1041, line 58, for 1982	2	
3 Enter amount from Form 1041, line 60, for 1982	3	
4 Subtract line 3 from line 2. If line 3 is more than line 2, enter zero	4	
5 Subtract line 4 from line 1	5	

Part II Ordinary Income Accumulation Distribution (Enter the applicable throwback years below.)

If the distribution is thrown back to more than four years (starting with the earliest applicable tax year beginning after December 31, 1968), attach additional schedules. (If the trust was a simple trust see regulations section 1.665(e)–1A(b).)		Throwback year 19	Throwback year 19	Throwback year 19	Throwback year 19
6 For throwback years 1969–1977, enter amount from Schedule C (Form 1041) line 5; for 1978–1979, amount from Form 1041, line 61; for 1980, amount from Form 1041, line 60; for 1981, amount from Form 1041, line 58. (See instructions)	6				
7 For throwback years 1969–1977, enter amount from Schedule C (Form 1041) line 8; for 1978, amount from Form 1041, line 64; for 1979, amount from Form 1041, line 65; for 1980, amount from Form 1041, line 64; for 1981, amount from Form 1041, line 62	7				
8 Subtract line 7 from line 6	8				
9 Enter amount from line 25 or 31, Part III, as applicable	9				
10 Subtract line 9 from line 8	10				
11 Enter amount of prior accumulation distributions thrown back to any of these years	11				
12 Subtract line 11 from line 10	12				
13 Allocate amount on line 5 that is an accumulation distribution to earliest applicable year first. Do not allocate an amount greater than line 12 for the same year	13				
14 Divide line 13 by line 10 and multiply result by line 9	14				
15 Add lines 13 and 14	15				
16 Divide line 15 by line 6 and multiply result by Schedule C (Form 1041), line 2(a), for 1969–1977; Form 1041, line 58(a), for 1978–1979; Form 1041, line 57(a), for 1980; Form 1041, line 55(a) for 1981 . .	16				
17 Subtract line 16 from line 15	17				

For Privacy Act and Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 1041.

Part III Taxes Imposed on Undistributed Net Income (Enter the applicable throwback years below.)

If more than four throwback years are involved, attach additional schedules. (If the trust received an accumulation distribution from another trust, see the regulations under sections 665–668 of the Internal Revenue Code.)

		Throwback year 19	Throwback year 19	Throwback year 19	Throwback year 19
If trust elected alternative tax on capital gain, **OMIT** lines 18 through 25 **AND** complete lines 26 through 31. (The alternative tax on capital gain was repealed for tax years beginning after December 31, 1978.)	▨	▨	▨	▨	▨
18 Enter amount from Form 1041, page 1, line 24, for 1969–1976; Form 1041, page 1, line 26, for 1977; Form 1041, line 27, for 1978–1979; Form 1041, line 26(c), for 1980–1981	18				
19 Enter amount from Schedule D (Form 1041), line 10, column 2, for 1969–1970; Schedule D (Form 1041), line 14, column 2, for 1971–1978; Schedule D (Form 1041), line 18, column (b), for 1979; Schedule D (Form 1041), line 14, column (b), for 1980–1981. (If loss, enter zero)	19				
20 Enter 50% of Schedule D (Form 1041), line 13(e), for 1969–1970; 50% of Schedule D (Form 1041), line 17(e), for 1971–1977; amount from Form 1041, line 23, subtracted from Schedule D (Form 1041), line 17(e), or line 31, whichever is applicable for 1978; amount from Form 1041, line 23, subtracted from Schedule D (Form 1041), line 25 or line 27, whichever is applicable for 1979; amount from Schedule D (Form 1041), line 22, subtracted from Schedule D (Form 1041), line 21, for 1980–1981 . . .	20				
21 Add lines 19 and 20	21				
22 Enter amount from Form 1041, page 1, line 23, for 1969–1976; Form 1041, page 1, line 25, for 1977; Form 1041, line 26, for 1978–1979; Form 1041, line 25, for 1980–1981	22				
23 Enter percent line 21 is of line 22, but not more than 100%	23				
24 Multiply amount on line 18 by percent on line 23	24				
25 Subtract line 24 from line 18 and enter here and on line 9	25				
If trust did not elect alternative tax on long-term capital gain, do **NOT** complete lines 26 through 31.	▨	▨	▨	▨	▨
26 Enter amount from Schedule D (Form 1041), line 20, for 1969; Schedule D (Form 1041), line 19, for 1970; Schedule D (Form 1041), line 50, for 1971; Schedule D (Form 1041), line 48, for 1972–1975; Schedule D (Form 1041), line 27, for 1976–1978	26				
27 Enter amount from Schedule D (Form 1041), line 10, column 2, for 1969–1970; Schedule D (Form 1041), line 14, column 2, for 1971–1978. (If loss, enter zero)	27				
28 Enter amount from Schedule D (Form 1041), line 19, for 1969; Schedule D (Form 1041), line 18, for 1970; Schedule D (Form 1041), line 38, for 1971; Schedule D (Form 1041), line 39, for 1972–1975; Schedule D (Form 1041), line 21, for 1976–1978	28				
29 Enter percent line 27 is of line 28, but not more than 100%	29				
30 Multiply amount on line 26 by percent on line 29	30				
31 Subtract line 30 from line 26 and enter here and on line 9	31				

Part IV Allocation to Beneficiary

Complete Part IV for each beneficiary. If the accumulation distribution is allocated to more than one beneficiary, attach an additional Schedule J with Part IV completed for each additional beneficiary. If more than four throwback years are involved, attach additional schedules.

Beneficiary's name

Social security number

Beneficiary's address (number and street including apartment number or rural route)

City, town or post office, State, and ZIP code

		Enter amount from line 13 allocated to this beneficiary (a)	Enter amount from line 14 allocated to this beneficiary (b)	Enter amount from line 16 allocated to this beneficiary (c)
32 Throwback year 19........	32			
33 Throwback year 19........	33			
34 Throwback year 19........	34			
35 Throwback year 19........	35			
36 Total (add amounts on lines 32 through 35)	36			

1982 **Department of the Treasury**
Internal Revenue Service

Instructions for Schedule J (Form 1041)

Information Return

Trust Allocation of an Accumulation Distribution (I.R.C. Section 665)

References are to the Internal Revenue Code, unless otherwise noted.

File Schedule J (Form 1041) with Form 1041 to report an accumulation distribution by a complex trust. The line-by-line instructions that follow are keyed to the line items on the schedule.

PART I.—Accumulation Distribution in 1982

Line 1. Distribution under section 661(a)(2).—Enter the amount from Form 1041, line 61, for 1982. This is the amount properly paid, credited, or required to be distributed other than the amount of income for the current tax year required to be distributed currently.

Line 2. Distributable net income.—Enter the amount from Form 1041, line 58, for 1982. This is the amount of distributable net income for the current tax year determined under section 643(a).

Line 3. Distribution under section 661(a)(1).—Enter the amount from Form 1041, line 60, for 1982. This is the amount of income for the current tax year required to be distributed currently.

Line 4. Subtract line 3 from line 2.—If line 3 is more than line 2, enter zero.

Line 5. Accumulation distribution.—Subtract line 4 from line 1. If Form 1041, line 62, is more than Form 1041, line 59, complete the rest of Schedule J and file it with Form 1041, unless the trust has no previously accumulated income.

Generally, amounts accumulated before a beneficiary becomes 21 may be excluded by the beneficiary. See sections 665 and 667(c) for exceptions relating to multiple trusts. The trustee reports to IRS the total amount of the accumulation distribution before any reduction for income accumulated before the beneficiary becomes 21. Then the beneficiary claims the exclusion when filing Form 4970 if the multiple trust rules do not apply. This is because one trustee may be unaware that the beneficiary may be a beneficiary of other trusts with other trustees.

There are examples of accumulation distributions in regulations section 1.665(b)–1A(b) that include (1) payments from one trust to another trust, and (2) amounts distributed for a dependent's support.

PART II.—Ordinary Income Accumulation Distribution

Line 6. Distributable net income for earlier years.—Enter the amount from Schedule C (Form 1041), line 5, for throwback years 1969 through 1977. Enter the amount from Form 1041, line 61, for 1978 and 1979. Enter the amount from Form 1041, line 60, for 1980. Enter the amount from Form 1041, line 58, for throwback year 1981. For information about throwback years, see the instructions for line 13. For purposes of line 6 of Schedule J, in figuring the distributable net income of the trust for a throwback year, subtract any estate tax deduction for income in respect of a decedent if the income is includable in figuring the distributable net income of the trust for that year.

Line 7. Distributions made during earlier years.—Enter the amount from Schedule C (Form 1041), line 8, for throwback years 1969 through 1977. Enter the amount from Form 1041, line 64, for 1978. Enter the amount from Form 1041, line 65, for 1979. Enter the amount from Form 1041, line 64, for 1980. Enter the amount from Form 1041, line 62, for throwback year 1981.

Line 8. Balance remaining.—Subtract line 7 from line 6 for each throwback year.

Line 9. Income taxes imposed on the trust on the amount on line 8.—Enter the amount from line 25 or 31, Part III, for each throwback year.

Line 10. Undistributed net income.—Subtract line 9 from line 8 for each throwback year.

Line 11. Prior accumulation distributions thrown back to any throwback year.—Enter the amount of prior accumulation distributions thrown back to the throwback years. Do not enter distributions excluded under section 663(a)(1) for gifts, bequests, etc.

Line 12. Balance of undistributed net income.—Subtract line 11 from line 10 for each throwback year.

Line 13. Throwback years.—Allocate the amount on line 5 that is an accumulation distribution to the earliest applicable year first, but do not allocate more than the amount on line 12 for any throwback year. An accumulation distribution is thrown back first to the earliest preceding tax year beginning after December 31, 1968, in which there is undistributed net income. Then it is thrown back beginning with the next earliest year to any remaining preceding tax years of the trust. The portion of the accumulation distribution allocated to the earliest preceding tax year is the amount of the undistributed net income for that year. The portion of the accumulation distribution allocated to any remaining preceding tax year is the amount by which the accumulation distribution is larger than the total of the undistributed net income for all earlier preceding tax years. A tax year of a trust during which the trust was a simple trust for the entire year is not a "preceding tax year" unless (1) during that year the trust received "outside income" or (2) the trustee did not distribute all of the income of the trust that was required to be distributed currently for that year. In this case, undistributed net income for that year must not be more than the greater of the "outside income" or income not distributed during that year. The term "outside income" means amounts that are included in distributable net income of the trust for the year but that are not "income" of the trust as is defined in regulations section 1.643(b)–1. Some examples of "outside income" are (1) income taxable to the trust under section 691, (2) unrealized accounts receivable that were assigned to the trust, and (3) distributions from another trust that include distributable net income or undistributed net income of the other trust. Enter the applicable year at the top of each column for each throwback year.

Line 14. Taxes paid by trust applicable to amount on line 13.—For each throwback year, divide line 13 by line 10 and multiply the result by line 9.

Line 15. Total of amounts on lines 13 and 14.—For each throwback year, add lines 13 and 14.

Line 16. Tax-exempt interest included on line 13.—For each throwback year, divide line 15 by line 6 and multiply the result by one of the following: Schedule C (Form 1041), line 2(a), for 1969 through 1977; Form 1041, line 58(a), for 1978 and 1979; Form 1041, line 57(a), for 1980; Form 1041, line 55(a), for 1981.

Line 17. Additional ordinary income to beneficiaries.—For each throwback year, subtract line 16 from line 15.

PART III.—Taxes Imposed on Undistributed Net Income

(The alternative tax on capital gain was repealed for tax years beginning after December 31, 1978. The 1981 alternative tax is not an alternative tax for this purpose.)

For the regular tax computation, if there is a capital gain, complete lines 18 through 25 for each throwback year. If the trustee elected the alternative tax on capital gain, complete lines 26 through 31 instead of lines 18 through 25 for each applicable year. (If there is no capital gain for any year (or there is a capital loss for every year), enter on line 9 the amount of the tax for each year identified in the instruction for line 18; do not complete Part III). If the trust received an accumulation distribution from another trust, see the regulations under sections 665 through 668.

A. Regular Tax Computation

Line 18. Tax imposed.—Enter the amount from Form 1041, page 1, line 24, for throwback years 1969 through 1976. Enter the amount from Form 1041, page 1, line 26, for 1977. Enter the amount from Form 1041, line 27, for 1978 and 1979. Enter the amount from Form 1041, line 26(c), for 1980 and 1981.

Line 19. Net short-term gain allocated to trust.—Enter the amount from Schedule D (Form 1041), line 10, column 2, for throwback years 1969 and 1970. Enter the amount from Schedule D (Form 1041), line 14, column 2, for 1971 through 1978. Enter the amount from Schedule D (Form 1041), line 18, column (b), for 1979. Enter the amount from Schedule D (Form 1041), line 14, column (b), for 1980 and 1981.

If there is a loss on any of these lines, enter zero on line 19 for the applicable throwback year.

Line 20. Net long-term gain taxable to the trust.—Enter 50% of the amount on Schedule D (Form 1041), line 13(e), for throwback years 1969 and 1970. Enter 50% of the amount on Schedule D (Form 1041), line 17(e), for 1971 through 1977. Enter the amount from Form 1041, line 23, subtracted from Schedule D (Form 1041), line 17(e) or line 31, whichever is applicable for 1978. Enter the amount from Form 1041, line 23, subtracted from Schedule D (Form 1041), line 25 or line 27, whichever is applicable for 1979. Enter the amount from Schedule D (Form 1041), line 22, subtracted from Schedule D (Form 1041), line 21, for 1980 and 1981.

Line 21. Total of amounts on lines 19 and 20.—Add line 19 and line 20.

Line 22. Total taxable income.—Enter the amount from Form 1041, page 1, line 23, for throwback years 1969 through 1976. Enter the amount from Form 1041, page 1, line 25, for 1977. Enter the amount from Form 1041, line 26, for 1978 and 1979. Enter the amount from Form 1041, line 25, for 1980 and 1981.

Line 23. Percent that line 21 is of line 22.—For each throwback year, enter the percent that line 21 is of line 22. Do not enter more than 100%.

Line 24. Multiply the amount on line 18 by the percent on line 23.—For each throwback year, multiply the amount on line 18 by the percent on line 23.

Line 25. Subtract the amount on line 24 from the amount on line 18.—For each throwback year, enter on line 25 and also on line 9 the amount you get by subtracting line 24 from line 18.

B. Alternative Tax on Capital Gain

(The alternative tax on capital gain was repealed for tax years beginning after December 31, 1978. The 1981 alternative tax is not an alternative tax for this purpose.)

Line 26. Tax imposed on income other than long-term capital gain.—Enter the amount from Schedule D (Form 1041), line 20, if the trustee elected the alternative tax for throwback year 1969. Enter the amount from Schedule D (Form 1041), line 19, if for 1970. Enter the amount from Schedule D (Form 1041), line 50, if for 1971. Enter the amount from Schedule D (Form 1041), line 48, if for 1972 through 1975. Enter the amount from Schedule D (Form 1041), line 27, if for 1976 through 1978.

Line 27. Net short-term gain taxable to the trust.—Enter the amount from Schedule D (Form 1041), line 10, column 2, if the trustee elected the alternative tax for throwback years 1969 and 1970. Enter the amount from Schedule D (Form 1041), line 14, column 2, if for 1971 through 1978. If there is a loss on any of these lines, enter zero on line 27 for the applicable throwback year.

Line 28. Total taxable income minus section 1202 deduction for capital gain allocated to the trust.—Enter the amount from Schedule D (Form 1041), line 19, if the trustee elected the alternative tax for throwback year 1969. Enter the amount from Schedule D (Form 1041), line 18, if for 1970. Enter the amount from Schedule D (Form 1041), line 38, if for 1971. Enter the amount from Schedule D (Form 1041), line 39, if for 1972 through 1975. Enter the amount from Schedule D (Form 1041), line 21, if for 1976 through 1978.

Line 29. Percent that line 27 is of line 28.—For each applicable throwback year, enter the percent that line 27 is of line 28. Do not enter more than 100%.

Line 30. Multiply amount on line 26 times the percent on line 29.—For each applicable throwback year, multiply the amount on line 26 by the percent on line 29.

Line 31. Subtract amount on line 30 from amount on line 26.—For each applicable throwback year, enter on line 31 and also on line 9, the amount you get by subtracting line 30 from line 26.

PART IV.—Allocation to Beneficiary

Complete Part IV for each beneficiary. If the accumulation distribution is allocated to more than one beneficiary, attach an additional copy of Schedule J with Part IV completed for each additional beneficiary. You may give a copy to the beneficiary for the section 6041(d) notice if one is required. If more than four throwback years are involved, attach additional schedules.

If the beneficiary is a nonresident alien individual or a foreign corporation, see section 667(e) about retaining the character of the amounts distributed to determine the amount of the United States withholding tax.

The beneficiary may use Form 4970 to compute the tax on the distribution. The beneficiary may also use Form 4970 for the section 667 (b)(6) tax adjustment if an accumulation distribution is subject to estate or generation-skipping tax. This is because the trustee may not be the estate or generation-skipping tax return filer.

SCHEDULE K-1
(Form 1041)
Department of the Treasury
Internal Revenue Service

Beneficiary's Share of Income, Deductions, Credits, etc.—1982

for the calendar year 1982, or fiscal year
beginning ...., 1982, ending ...., 19.......
(Complete for each beneficiary)

OMB No. 1545-0092
Copy A
File with Form 1041

Name of estate or trust ▶

Beneficiary's identifying number ▶

Estate or trust's employer identification number ▶

Beneficiary's name, address, and ZIP code

Fiduciary's name, address, and ZIP code

a. Allocable share item	b. Amount	c. Form 1040 filers enter column b amounts as indicated below
Your income from a fiscal year estate or trust must be included in your tax year during which the fiscal year of the estate or trust ends.		
1 Dividends (amount before exclusion)		Schedule B, Part II, line 9
2 Interest from All-Savers Certificates		Schedule B, Part I, line 4
3 (a) Net short-term capital gain or (loss)		Schedule D, line 3, column f or g
(b) Net long-term capital gain or (loss)		Schedule D, line 10, column f or g
4 Other taxable income (itemize):		▨
(a) (1)		▨
(2)		▨
(b) Total of lines 4(a)(1) and (2)		▨
(c) Depreciation (including cost recovery) and depletion . . .		▨
(d) Amortization deductions (itemize):		▨
(1)		▨
(2)		▨
(e) Total of lines 4(c), 4(d)(1), and 4(d)(2)		▨
(f) Line 4(b) minus line 4(e)		Schedule E, Part II
5 Estate tax deduction (Attach computation)		Schedule A, line 26
6 Excess deductions on termination (Attach computation) . . .		Schedule A, line 26
7 Tax preference items:		
(a) Accelerated depreciation on:		
(1) Low-income rental housing (167(k))		Form 4625, line 1(a)(1)*
(2) Other real property (See instructions)		Form 4625, line 1(a)(2)*
(3) Personal property subject to a lease (See instructions) .		Form 4625, line 1(b)*
(b) Depletion		Form 4625, line 1(e)*
(c) Other (itemize):		
(1)		Enter on applicable line of Form 4625*
(2)		Enter on applicable line of Form 4625*
8 Income tax withheld on interest and dividend income (See instructions)		▨
9 Foreign taxes (List on a separate sheet)		Form 1116 or Schedule A (Form 1040), line 14
10 Property eligible for investment credit:	▨	▨
Unadjusted basis of new recovery property (a) 3-Year		Form 3468, line 1(a)
Unadjusted basis of new recovery property (b) Other		Form 3468, line 1(b)
Unadjusted basis of used recovery property (c) 3-Year		Form 3468, line 1(c)
Unadjusted basis of used recovery property (d) Other		Form 3468, line 1(d)
Nonrecovery property (see instruction 10) (Attach schedule) .	▨	▨
11 Other (itemize):	▨	▨
(a)		(Enter on applicable line of appropriate tax form)
(b)		
(c)		
(d)		

*See instructions

For Privacy Act and Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 1041.

Instructions

References are to the Internal Revenue Code, unless otherwise noted.

Schedule K–1 (Form 1041) is used by the fiduciary to report the beneficiary's income from the estate or trust. Fiduciary means trustee, executor, executrix, administrator, administratrix, or persons in possession of property of a decedent's estate.

You may find additional helpful information in **Publication 559,** Tax Information for Survivors, Executors, and Administrators. This publication is available from the Internal Revenue Service.

General Instructions

A. Who must file.—The fiduciary (or one of the joint fiduciaries) must file Schedule K–1 (or an approved substitute) with Form 1041. If there is more than one beneficiary, file a separate Schedule K–1 for each beneficiary. File Copy A with Form 1041. You may use Copy B for the section 6041(d) notice to the beneficiary if one is required. You may keep Copy C.

A section 6041(d) notice is required by January 31 following the calendar year during which you make payments of $600 or more in the course of your trade or business. An example is a bank conducting a trust business and making payments of trust income of $600 or more during a calendar year to a trust beneficiary. See section 6041 and related regulations for more information.

B. Beneficiary's identifying number.—As a payer of income, you are required under section 6109 to request and provide a proper identifying number for each recipient of income. Enter this number on all Schedules K–1 or approved substitutes when you file your return. Individuals and business recipients are responsible for giving you their taxpayer identification numbers upon request.

Under section 6676 the payer is charged a $50 penalty for each failure to provide a required taxpayer identification number (not to exceed $50,000 for any calendar year), unless reasonable cause is established for not providing it. If reasonable cause exists, please explain in an attached signed affidavit.

C. Substitute forms.—You do not need prior IRS approval for substitute Schedules K–1 that include the OMB number and that (a) show only the line items that a taxpayer needs if those line items have the same numbers and titles and are in the same order as on the comparable IRS Schedule K–1; or (b) are an exact copy of an IRS Schedule K–1. You must have prior approval for other substitute Schedules K–1. You may apply for it by writing to: Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC 20224, Attention: D:R:R:IM.

D. Beneficiary's income.—If no special computations are required, use the following instructions to compute the beneficiary's income from the estate or trust. In other cases, see **Publication 559** and sections 652, 662, and 663 and related regulations. For example, different computations are required if capital gains and losses or a charitable deduction are involved. In addition, the terms of the governing instrument or local law may require different computations.

Income.—The beneficiary must include in gross income the smaller of (1) the amounts paid, credited, or required to be distributed, or (2) the proportionate share of distributable net income, reduced in either case by the share of distributable tax-exempt income minus the allocable expense not allowable as a deduction on Form 1041.

Character of income.—The beneficiary's income is considered to have the same proportion of each class of items entering into the computation of distributable net income that the total of each class has to the distributable net income.

Allocation of deductions.—Use the following method to allocate the items of deduction that enter into the computation of distributable net income among the items of distributable net income. Subtract the deductions attributable to one class of income from that income. Subtract those deductions not attributable to one class of income from any class, but be sure a reasonable proportion is subtracted from tax-exempt income. Except for deductions allocable to tax-exempt income, you may allocate excess deductions attributable to one class of income to other classes. You may not allocate any of the deductions in the computation of distributable net income to items attributable to corpus or to income not included in distributable net income. Except for the final year and for depreciation or depletion allocations in excess of income (see Rev. Rul. 74–530, 1974–2 C.B. 188), you may not show any negative amounts for any class of income because the beneficiary generally may not claim losses or deductions of the estate or trust.

Allocation of credits.—In general, the estate or trust or the beneficiaries may claim applicable tax credits according to how the income is divided. For more information, see the appropriate Code sections for the tax credits.

Gifts and bequests.—Do not include in the beneficiary's income any gifts or bequests of a specific sum of money or of specific property under the terms of the governing instrument that are paid or credited in three installments or less. Amounts that can be paid or credited only from income of the estate or trust do not qualify as a gift or bequest of a specific sum of money.

Past years.—Do not include in the beneficiary's income amounts deducted on Form 1041 for an earlier year that were credited or required to be distributed in that earlier year.

E. Beneficiary's tax year.—The beneficiary's income from the estate or trust must be included in the beneficiary's tax year during which the tax year of the estate or trust ends. See **Publication 559** for more information including the effect of the death of a beneficiary during the tax year of the estate or trust.

Instructions for Line Items

The instructions below are numbered to correspond to the applicable line items on Schedule K–1 (Form 1041).

1. Dividends.—Enter the beneficiary's share of th dividend income that qualifies for exclusion.

2. Interest from All-Savers Certificates.—Enter th beneficiary's share of the interest income from All-Savers Certificates as defined in the Instructions for Form 1041 instruction for line 20. Do not include interest from a certificate that is redeemed before maturity or used as collateral or security for a loan. Although an estate or trus may not exclude the interest on an All-Savers Certificat that it purchases, the interest retains its character whe distributed to a beneficiary so that the beneficiary may b entitled to exclude it from gross income as All-Savers Ce tificate interest.

3(a). Net short-term capital gain or (loss).—Enter th beneficiary's share of the net short-term capital gain. D not enter a loss for any year before the final year of th estate or trust. If for the final year there is a capital los carryover, enter the beneficiary's share of the short-ter capital loss carryover as a loss in parentheses. However, the beneficiary is a corporation, enter the beneficiary share of all carryover capital losses as a loss in parenth ses. See **Publication 559** and section 642(h) and relat regulations for more information.

(Instructions continued on back of Copy

SCHEDULE K-1
(Form 1041)
Department of the Treasury
Internal Revenue Service

Beneficiary's Share of Income, Deductions, Credits, etc.—1982

for the calendar year 1982, or fiscal year
beginning ...., 1982, ending ...., 19......
(Complete for each beneficiary)

OMB No. 1545-0092

Copy B

Name of estate or trust ▶

Beneficiary's identifying number ▶	Estate or trust's employer identification number ▶
Beneficiary's name, address, and ZIP code	Fiduciary's name, address, and ZIP code

a. Allocable share item	b. Amount	c. Form 1040 filers enter column b amounts as indicated below
Your income from a fiscal year estate or trust must be included in your tax year during which the fiscal year of the estate or trust ends.		
1 Dividends (amount before exclusion)		Schedule B, Part II, line 9
2 Interest from All-Savers Certificates		Schedule B, Part I, line 4
3 (a) Net short-term capital gain or (loss)		Schedule D, line 3, column f or g
(b) Net long-term capital gain or (loss)		Schedule D, line 10, column f or g
4 Other taxable income (itemize):		
(a) (1)		
(2)		
(b) Total of lines 4(a)(1) and (2)		
(c) Depreciation (including cost recovery) and depletion		
(d) Amortization deductions (itemize):		
(1)		
(2)		
(e) Total of lines 4(c), 4(d)(1), and 4(d)(2)		
(f) Line 4(b) minus line 4(e)		Schedule E, Part II
5 Estate tax deduction (Attach computation)		Schedule A, line 26
6 Excess deductions on termination (Attach computation)		Schedule A, line 26
7 Tax preference items:		
(a) Accelerated depreciation on:		
(1) Low-income rental housing (167(k))		Form 4625, line 1(a)(1)*
(2) Other real property (See instructions)		Form 4625, line 1(a)(2)*
(3) Personal property subject to a lease (See instructions)		Form 4625, line 1(b)*
(b) Depletion		Form 4625, line 1(e)*
(c) Other (itemize):		
(1)		Enter on applicable line of Form 4625*
(2)		Enter on applicable line of Form 4625*
8 Income tax withheld on interest and dividend income (See instructions)		
9 Foreign taxes (List on a separate sheet)		Form 1116 or Schedule A (Form 1040), line 14
10 Property eligible for investment credit:		
Unadjusted basis of new recovery property (a) 3-Year		Form 3468, line 1(a)
(b) Other		Form 3468, line 1(b)
Unadjusted basis of used recovery property (c) 3-Year		Form 3468, line 1(c)
(d) Other		Form 3468, line 1(d)
Nonrecovery property (See instruction 10) (Attach schedule)		
11 Other (itemize):		
(a)		(Enter on applicable line of appropriate tax form)
(b)		
(c)		
(d)		

*See instructions

For Privacy Act and Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 1041.

Instructions for Beneficiary Filing Form 1040

Report the amount from line 1 (Schedule K–1) on your Schedule B (Form 1040), Part II, line 9. Report the amount from line 2 (Schedule K–1) on your Schedule B (Form 1040), Part I, line 4. Report the amount from line 3(a) (Schedule K–1) on your Schedule D (Form 1040), line 3, column f or g. Report the amount from line 3(b) (Schedule K–1) on your Schedule D (Form 1040), line 10, column f or g. Report the amount from line 4(f) (Schedule K–1) on your Schedule E (Form 1040), Part II. Report on your appropriate tax form or schedule any other applicable items indicated on your Schedule K–1 according to the references printed or written on Schedule K–1.

If you have income from a fiscal year estate or trust, you must include it in income for the tax year during which the fiscal year of the estate or trust ends. For example, if the trust's fiscal year ends on June 30, 1982, you should report your income from the trust on your 1982 Form 1040. A fiscal year will be indicated at the top of your Schedule K–1 (Form 1041) by the dates shown on the fiscal year beginning and ending lines.

Report the amounts from lines 7(a) through 7(c) (Schedule K–1) on the applicable lines of Form 6251 if you are a 1983 calendar year beneficiary of a fiscal year estate or trust that has a fiscal year ending after December 31, 1982. Ignore the Form 4625 references in line 7 (Schedule K–1) column (c).

Report the amount from line 8 (Schedule K–1) on the appropriate line of your 1983 tax return if you are a 1983 calendar year beneficiary of a fiscal year estate or trust that has a fiscal year ending after June 30, 1983. The amount on line 8 is your credit for the income tax withheld on interest, dividend, and patronage dividend income paid after June 30, 1983, that is allocated to you for 1983.

If you are the beneficiary of a 1981–1982 fiscal year estate or trust that has WIN wages reported on line 11 (Schedule K–1), see the Instructions for Form 5884, Jobs Credit and WIN credit carryover.

SCHEDULE K-1
(Form 1041)
Department of the Treasury
Internal Revenue Service

Beneficiary's Share of Income, Deductions, Credits, etc.—1982

for the calendar year 1982, or fiscal year
beginning ...., 1982, ending ...., 19........
(Complete for each beneficiary)

OMB No. 1545-0092

Copy C
For Fiduciary

Name of estate or trust ▶

Beneficiary's identifying number ▶	Estate or trust's employer identification number ▶
Beneficiary's name, address, and ZIP code	Fiduciary's name, address, and ZIP code

a. Allocable share item		b. Amount	c. Form 1040 filers enter column b amounts as indicated below
Your income from a fiscal year estate or trust must be included in your tax year during which the fiscal year of the estate or trust ends.			
1 Dividends (amount before exclusion)			Schedule B, Part II, line 9
2 Interest from All-Savers Certificates			Schedule B, Part I, line 4
3 (a) Net short-term capital gain or (loss)			Schedule D, line 3, column f or g
(b) Net long-term capital gain or (loss)			Schedule D, line 10, column f or g
4 Other taxable income (itemize):			
(a) (1)			
(2)			
(b) Total of lines 4(a)(1) and (2)			
(c) Depreciation (including cost recovery) and depletion			
(d) Amortization deductions (itemize):			
(1)			
(2)			
(e) Total of lines 4(c), 4(d)(1), and 4(d)(2)			
(f) Line 4(b) minus line 4(e)			Schedule E, Part II
5 Estate tax deduction (Attach computation)			Schedule A, line 26
6 Excess deductions on termination (Attach computation)			Schedule A, line 26
7 Tax preference items:			
(a) Accelerated depreciation on:			
(1) Low-income rental housing (167(k))			Form 4625, line 1(a)(1)*
(2) Other real property (See instructions)			Form 4625, line 1(a)(2)*
(3) Personal property subject to a lease (See instructions)			Form 4625, line 1(b)*
(b) Depletion			Form 4625, line 1(e)*
(c) Other (itemize):			
(1)			Enter on applicable line of Form 4625*
(2)			Enter on applicable line of Form 4625*
8 Income tax withheld on interest and dividend income (See instructions)			
9 Foreign taxes (List on a separate sheet)			Form 1116 or Schedule A (Form 1040), line 14
10 Property eligible for investment credit:			
Unadjusted basis of new recovery property	(a) 3-Year		Form 3468, line 1(a)
	(b) Other		Form 3468, line 1(b)
Unadjusted basis of used recovery property	(c) 3-Year		Form 3468, line 1(c)
	(d) Other		Form 3468, line 1(d)
Nonrecovery property (See instruction 10) (Attach schedule)			
11 Other (itemize):			
(a)			(Enter on applicable line of appropriate tax form)
(b)			
(c)			
(d)			

*See instructions

For Privacy Act and Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 1041.

(Instructions continued from back of Copy A)

3(b). Net long-term capital gain or (loss).—Enter the beneficiary's share of the net long-term capital gain. Do not enter a loss for any year before the final year of the estate or trust. If for the final year there is a capital loss carryover, enter the beneficiary's share of the long-term capital loss carryover as a loss in parentheses. (If the beneficiary is a corporation, see instruction 3(a).) See **Publication 559** and section 642(h) and related regulations for more information.

4(a). Other taxable income.—Itemize by type of income the beneficiary's share of the other taxable income not reportable on line 1, 2, 3(a), or 3(b). This includes dividends that do not qualify for exclusion and interest on an All-Savers Certificate not reportable on line 2.

4(c). Depreciation (including cost recovery) and depletion.—Enter the beneficiary's share of the depreciation and depletion deductions. For a trust, divide the deductions for depreciation and depletion between the fiduciary and the beneficiaries as specified in the trust instrument. If the trust instrument does not specify, divide the deductions in the same way that the trust instrument provides for dividing the income between the fiduciary and the beneficiaries. For an estate, divide the deductions for depreciation and depletion between the estate and the beneficiaries in the same way the estate income is allocated to each. See **Publication 559** and regulations sections 1.642(e)–1, 1.167(h)–1, and 1.611–1(c) for more information about the division of these deductions.

4(d). Amortization deductions.—Itemize the beneficiary's share of the amortization deductions. Divide the amortization deductions between the fiduciary and the beneficiaries in the same way that the depreciation and depletion deductions are divided.

5. Estate tax deduction.—See **Publication 559** and section 691(c) and related regulations for information on how to figure the estate tax deduction. Figure the deduction on a separate sheet. Attach the sheet to this return. Enter the beneficiary's deduction.

6. Excess deductions on termination.—If this is the final return and there are excess deductions on termination or a net operating loss carryover, see **Publication 559** and section 642(h) and related regulations. Figure the deductions on an attached sheet. Enter the beneficiary's share of the excess deductions on line 6. The appropriate line for reporting the beneficiary's share of the net operating loss carryover depends on whether the deduction will be allowable in computing adjusted gross income or only in computing taxable income on the beneficiary's income tax return. Thus, the beneficiary's share of a net operating loss carryover would generally be entered on line 4(d)(2). In this case, write "N.O.L. carryover" to the left of the figure. However, if the last tax year of the estate or trust is the last year in which a net operating loss may be taken, the deduction, to the extent it is not absorbed in that year by the estate or trust, is treated as an excess deduction. Enter on line 6 the beneficiary's share of this portion of the net operating loss, which is treated as an excess deduction, and the beneficiary's share of other excess deductions.

7. Tax preference items.—Tax preference items under section 57 include the following:

- Accelerated depreciation on real property that is nonrecovery property or 15-year real property.
- Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property.
- Amortization of certified pollution control facilities.
- Depletion.
- Amortization of child care facilities.
- Intangible drilling costs.

New tax preference rules apply for tax years beginning after December 31, 1982. For beneficiary reporting purposes, fiscal year estates and trusts must report tax preference items under the new rules for beneficiaries' tax years beginning after 1982. For example, a trust with a tax year ending July 31, 1983, reports tax preference items under the new rules to its calendar year 1983 beneficiaries.

The new rules add the following tax preference items:

- Excess mining exploration and development costs.
- Excess circulation and research and experimental expenditures.
- Incentive stock options to the extent the fair market value of the stock exceeds the option price.

The new rules delete the following tax preference item:

- Amortization of child care facilities.

In general, tax preference items are divided between the estate or trust and the beneficiaries in the same way the income is divided. See regulations section 1.58–3 and **Publication 909**, Minimum Tax and Alternative Minimum Tax, for more information about tax preference items. Enter the beneficiary's tax preference items on the applicable lines. Attach a separate sheet if needed.

8. Income tax withheld.—If the estate or trust has a fiscal year ending after June 30, 1983, enter on line 8 the income tax withheld on interest, dividend, and patronage dividend income paid after June 30, 1983, and before the end of the fiscal year that is allocated to the beneficiary. (Do not reduce the amount of the interest, dividend, or patronage dividend income reported on lines 1, 2, and 4(a) by the amount of the income tax withheld.) The income tax withheld is allocated between the estate or trust and the beneficiaries on the basis of their respective share of the interest, dividend, and patronage dividend income.

9. Foreign taxes.—See **Publication 559, Publication 514,** Foreign Tax Credit for U.S. Citizens and Resident Aliens, and section 642(a) and related regulations for information about foreign taxes. List on an attached sheet the beneficiary's share of the applicable foreign taxes paid or accrued and the various foreign source figures needed for the beneficiary's foreign tax credit.

10. Property eligible for investment credit.—If a part of the investment (other than for section 48(q) election property, commuter highway vehicles, business energy and qualified rehabilitation expenditures) is apportioned to the beneficiary, enter the recovery property information allocable to the beneficiary on the appropriate lines in item 10. For nonrecovery property attach to each Schedule K–1 a separate schedule which shows each beneficiary's share of nonrecovery property eligible for the credit. This schedule should use the format of the worksheet in the Form 3468 instructions for nonrecovery property. See **Publication 572,** Investment Credit, and **Form 3468,** Computation of Investment Credit, for more information.

11. Other.—Itemize on line 11 or on an attached sheet the beneficiary's tax information for which there is no other line on Schedule K–1. This includes the allocable share, if any, of investment income (section 163(d)), section 48(q) election property, the business energy, qualified rehabilitation expenditure, and commuter highway vehicle investment credit, the portion of the investment credit from a cooperative organization specially allocated under section 46(h), the jobs credit, the alcohol fuel credit, the nonconventional source fuel credit, the increased research credit, the information a beneficiary will need to refigure an earlier year investment credit and WIN wages from a 1981–1982 fiscal year estate or trust. See the instructions for Form 1041 for more information about these credits.

Form **1065**
Department of the Treasury
Internal Revenue Service

U.S. Partnership Return of Income

For calendar year 1982, or fiscal year
beginning ...., 1982, and ending ...., 19........

OMB No. 1545-0099

1982

A Principal business activity (see page 12 of Instructions)	Use IRS label. Otherwise, please print or type.	Name	**D** Employer identification no.
B Principal product or service (see page 12 of Instructions)		Number and street	**E** Date business started
C Business code number (see page 12 of Instructions)		City or town, State, and ZIP code	**F** Enter total assets from Schedule L, line 13, column (D). $

G Check method of accounting: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other.

H Check applicable boxes: (1) ☐ Final return (2) ☐ Change in address (3) ☐ Amended return.

I Check if the partnership meets **ALL** the requirements shown on page 3 of the Instructions under "Filing a Complete Return." ▶ ☐

	Yes	No
J Is this partnership a limited partnership (see page 2 of Instructions)?		
K Number of partners in this partnership	▨	▨
L Is this partnership a partner in another partnership? . . .		
M Are any partners in this partnership also partnerships? . . .		
N (1) How many months in 1982 was this partnership actively operated?	▨	▨
(2) Was this partnership in operation at the end of 1982? .		

	Yes	No
O At any time during the tax year, did the partnership have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see page 3 of Instructions)?		
P Was the partnership the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not the partnership or any partner has any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A, or 926. (See page 4 of Instructions.)		

Income	**1a** Gross receipts or sales $.............................. **1b** Minus returns and allowances $.............................. Balance ▶	**1c**	
	2 Cost of goods sold and/or operations (Schedule A, line 8)	**2**	
	3 Gross profit (subtract line 2 from line 1c)	**3**	
	4 Ordinary income (loss) from other partnerships and fiduciaries	**4**	
	5 Nonqualifying interest and nonqualifying dividends	**5**	
	6a Gross rents $.............................. **6b** Minus rental expenses (attach schedule) $.............................. Balance net rental (loss) . . . . ▶	**6c**	
	7 Net income (loss) from royalties (attach schedule)	**7**	
	8 Net farm profit (loss) (attach Schedule F (Form 1040))	**8**	
	9 Net gain (loss) (Form 4797, line 11)	**9**	
	10 Other income (loss)	**10**	
	11 **TOTAL** income (loss) (combine lines 3 through 10)	**11**	
Deductions	**12a** Salaries and wages (other than to partners) $...................... **12b** Minus jobs credit $...................... Balance ▶	**12c**	
	13 Guaranteed payments to partners (see page 5 of Instructions)	**13**	
	14 Rent	**14**	
	15a Total deductible interest expense not claimed elsewhere on return (see page 5 of Instructions) **15a**		
	b Interest expense required to be passed through to partners on Schedules K and K-1, lines 13, 21a(2), and 21a(3) **15b**		
	c Subtract line 15b from line 15a	**15c**	
	16 Taxes	**16**	
	17 Bad debts (see page 5 of Instructions)	**17**	
	18 Repairs	**18**	
	19a Depreciation from Form 4562 (attach Form 4562) $.............................. **19b** Minus depreciation claimed in Schedule A and elsewhere on return $.............................. Balance ▶ .	**19c**	
	20 Depletion (**DO NOT DEDUCT OIL AND GAS DEPLETION.** See page 5 of Instructions.) . . .	**20**	
	21a Retirement plans, etc. (see page 5 of Instructions)	**21a**	
	b Employee benefit programs (see page 6 of Instructions)	**21b**	
	22 Other deductions (attach schedule)	**22**	
	23 **TOTAL** deductions (add amounts in column for lines 12c through 22)	**23**	
	24 Ordinary income (loss) (subtract line 23 from line 11)	**24**	

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature of general partner ▶ Date

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ▶ ☐	Preparer's social security no.
Firm's name (or yours, if self-employed) and address ▶		E.I. No. ▶	
		ZIP code ▶	

For Paperwork Reduction Act Notice, see page 1 of Form 1065 Instructions.

Schedule A—COST OF GOODS SOLD AND/OR OPERATIONS (See Page 6 of Instructions.)

1 Inventory at beginning of year	1	
2 Purchases minus cost of items withdrawn for personal use	2	
3 Cost of labor	3	
4 Materials and supplies	4	
5 Other costs (attach schedule)	5	
6 Total (add lines 1 through 5)	6	
7 Inventory at end of year	7	
8 Cost of goods sold (subtract line 7 from line 6). Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory: *(i)* ☐ Cost; *(ii)* ☐ Lower of cost or market as described in regulations section 1.471–4 (see page 6 of Instructions); *(iii)* ☐ Writedown of "subnormal" goods as described in regulations section 1.471–2(c) (see page 6 of Instructions).

	Yes	No
b Did you use any other method of inventory valuation not described in line 9a?		
If "Yes," specify methods used and attach explanation.	▨	▨
c Check if the LIFO method was adopted this tax year for any goods. (If checked, attach Form 970.) ☐	▨	▨
d If you are engaged in manufacturing, did you value your inventory using the full absorption method (regulations section 1.471–11)?		
e Was there any substantial change in determining quantities, cost, or valuations between opening and closing inventory?		
If "Yes," attach explanation.	▨	▨

Schedule D—CAPITAL GAINS AND LOSSES (See Page 6 of Instructions.)

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price minus expenses of sale	e. Cost or other basis	f. Gain (loss) (d minus e)
1					

2 Short-term capital gain from installment sales from Form 6252, line 21 or 29	
3 Partnership's share of net short-term gain (loss), including specially allocated items, from other partnerships and from fiduciaries	
4 Net short-term gain (loss) from lines 1, 2, and 3. Enter here and on Schedule K (Form 1065), line 5	

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price minus expenses of sale	e. Cost or other basis	f. Gain (loss) (d minus e)
5					

6 Long-term capital gain from installment sales from Form 6252, line 21 or 29	
7 Partnership's share of net long-term gain (loss), including specially allocated items, from other partnerships and from fiduciaries	
8 Capital gain distributions	
9 Net long-term gain (loss) from lines 5, 6, 7, and 8. Enter here and on Schedule K (Form 1065), line 6	

Schedule I—BAD DEBTS (See Page 5 of Instructions.)

a. Year	b. Trade notes and accounts receivable outstanding at end of year	c. Sales on account	Amount added to reserve		f. Amount charged against reserve	g. Reserve for bad debts at end of year
			d. Current year's provision	e. Recoveries		
1982						

Schedule K—PARTNERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC. (See Pages 7–11 of Instructions.)

		a. Distributive share items		b. Total amount	
Income (loss)	1	Ordinary income (loss) (page 1, line 24)	1		
	2	Guaranteed payments	2		
	3	Interest from All-Savers Certificates	3		
	4	Dividends qualifying for exclusion	4		
	5	Net short-term capital gain (loss) (Schedule D, line 4)	5		
	6	Net long-term capital gain (loss) (Schedule D, line 9)	6		
	7	Net gain (loss) from involuntary conversions due to casualty or theft (Form 4684)	7		
	8	Other net gain (loss) under section 1231	8		
	9	Other (attach schedule)	9		
Deductions	10	Charitable contributions (attach list): 50% ...., 30% ...., 20%	10		
	11	Expense deduction for recovery property (section 179 expense) from Part I, Section A, Form 4562 (must not be more than $5,000)	11		
	12a	Payments for partners to an IRA	12a		
	b	Payments for partners to a Keogh Plan (Type of plan ▶..............................)	12b		
	c	Payments for partners to Simplified Employee Pension (SEP)	12c		
	13	Other (attach schedule)	13		
Credits	14	Jobs credit	14		
	15	Credit for alcohol used as fuel	15		
	16	Credit for income tax withheld on interest and dividend income (see instructions)	16		
	17	Other (attach schedule)	17		
Other	18a	Gross farming or fishing income	18a		
	b	Net earnings (loss) from self-employment	18b		
	c	Other (attach schedule)	▨	▨	▨
Specially Allocated Items	19a	Short-term capital gain (loss)	19a		
	b	Long-term capital gain (loss)	19b		
	c	Ordinary gain (loss) (attach schedule)	19c		
	d	Other (attach schedule)	19d		
Tax Preference Items	20a	Accelerated depreciation on real property:	▨	▨	▨
		(1) Low-income rental housing (167(k))	20a(1)		
		(2) Other nonrecovery real property or 15-year real property	20a(2)		
	b	Accelerated depreciation on leased personal property or leased recovery property other than 15-year real property	20b		
	c	Amortization	20c		
	d	Reserves for losses on bad debts of financial institutions	20d		
	e	Depletion (other than oil and gas)	20e		
	f	(1) Excess intangible drilling costs from oil, gas, or geothermal wells	20f(1)		
		(2) Net income from oil, gas, or geothermal wells	20f(2)		
	g	Other (attach schedule)	▨	▨	▨
Investment Interest	21a	Investment interest expense:	▨	▨	▨
		(1) Indebtedness incurred before 12/17/69	21a(1)		
		(2) Indebtedness incurred before 9/11/75, but after 12/16/69	21a(2)		
		(3) Indebtedness incurred after 9/10/75	21a(3)		
	b	Net investment income (loss)	21b		
	c	Excess expenses from "net lease property"	21c		
	d	Excess of net long-term capital gain over net short-term capital loss from investment property	21d		
Foreign Taxes	22a	Type of income	▨	▨	▨
	b	Foreign country or U.S. possession	▨	▨	▨
	c	Total gross income from sources outside the U.S. (attach schedule)	22c		
	d	Total applicable deductions and losses (attach schedule)	22d		
	e	Total foreign taxes (check one): ☐ Paid ☐ Accrued	22e		
	f	Reduction in taxes available for credit (attach schedule)	22f		
	g	Other (attach schedule)	22g		

Schedule L—BALANCE SHEETS (See Page 11 of Instructions.)

	Beginning of tax year		End of tax year	
	(A)	(B)	(C)	(D)
ASSETS				
1 Cash	▨		▨	
2 Trade notes and accounts receivable		▨		▨
a. Minus allowance for bad debts				
3 Inventories	▨		▨	
4 Federal and State government obligations	▨		▨	
5 Other current assets (attach schedule)	▨		▨	
6 Mortgage and real estate loans	▨		▨	
7 Other investments (attach schedule)	▨		▨	
8 Buildings and other depreciable assets		▨		▨
a Minus accumulated depreciation				
9 Depletable assets		▨		▨
a Minus accumulated depletion				
10 Land (net of any amortization)	▨		▨	
11 Intangible assets (amortizable only)		▨		▨
a Minus accumulated amortization				
12 Other assets (attach schedule)	▨		▨	
13 Total assets	▨		▨	
LIABILITIES AND CAPITAL	▨		▨	
14 Accounts payable	▨		▨	
15 Mortgages, notes, and bonds payable in less than 1 year	▨		▨	
16 Other current liabilities (attach schedule)	▨		▨	
17 All nonrecourse loans	▨		▨	
18 Mortgages, notes, and bonds payable in 1 year or more	▨		▨	
19 Other liabilities (attach schedule)	▨		▨	
20 Partners' capital accounts	▨		▨	
21 Total liabilities and capital	▨		▨	

Schedule M—RECONCILIATION OF PARTNERS' CAPITAL ACCOUNTS (See Page 11 of Instructions.)

(Show reconciliation of each partner's capital account on Schedule K–1, item E.)

a. Capital account at beginning of year	b. Capital contributed during year	c. Ordinary income (loss) from page 1, line 24	d. Income not included in column c, plus nontaxable income	e. Losses not included in column c, plus unallowable deductions	f. Withdrawals and distributions	g. Capital account at end of year

1982

Department of the Treasury
Internal Revenue Service

Instructions for Form 1065
U.S. Partnership Return

(Section references are to the Internal Revenue Code unless otherwise specified.)

PAPERWORK REDUCTION ACT NOTICE.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Quite often inquiries are received about how voluntary contributions to reduce the public debt may be made. A partnership may contribute by enclosing a **separate** check, payable to "Bureau of the Public Debt," with the tax return. These amounts are tax-deductible, subject to the rules and limitations for charitable contributions.

Highlights

The sections listed below were added to the Internal Revenue Code by the Tax Equity and Fiscal Responsibility Act of 1982. Generally, these sections are effective for partnerships whose tax years begin after September 3, 1982. See section 6231 for the exception for small partnerships. However, if the partnership, each partner, and each indirect partner requests, these new sections can be effective for any partnership tax year ending after September 3, 1982. (The Service will issue details on how to make this election.) The new code sections are:

- **Section 6221.** Tax treatment determined at partnership level.
- **Section 6222.** Partner's return must be consistent with partnership return or the Secretary of the Treasury notified of inconsistency.
- **Section 6223.** Notice to partners of proceedings.
- **Section 6224.** Participation in administrative proceedings; waivers; agreements.
- **Section 6225.** Assessments made only after partnership level proceedings are completed.
- **Section 6226.** Judicial review of final partnership administrative adjustments.
- **Section 6227.** Administrative adjustment requests. (See **Amended Return** on page 2.)
- **Section 6228.** Judicial review where administrative adjustment request is not allowed in full.
- **Section 6229.** Period of limitations for making assessments.
- **Section 6230.** Additional administrative provisions.
- **Section 6231.** Definitions and special rules.

Major Changes to Forms

- **Form 1065, page 1.** For 1982, the partnership may enter either its legal or trade name.

  The line for the amortization deduction has been deleted. This deduction is now shown initially on **Form 4562,** Depreciation and Amortization, and carried over to line 22, Other deductions.
- **Schedule H—INCOME FROM RENTS** has been deleted.
- **Schedule I—BAD DEBTS.** Information for the prior 5 years has been deleted.
- **Schedules K and K–1—PARTNERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC.**
- Line 11 has been added for the passthrough of section 179 expense. A partnership may elect to expense part of the cost (up to $5,000) of recovery property that was purchased for use in the partnership's trade or business and that qualifies for the investment credit.
- Line 16 has been added to pass through income tax withheld on interest and dividend income. This line is for use by fiscal year partnerships whose 1982/1983 tax year ends after 6/30/83.

Reminders

- Do not deduct depletion on oil and gas wells on the partnership return. Instead, pass the information needed to compute this deduction through to the partners on Schedules K and K–1. The partners will determine the deductible amount on their own returns.

Purpose

Form 1065 is used to report the income, deductions, credits, gains, and losses from the operation of a partnership. Form 1065 for 1982 is an information return for the calendar year 1982 or other fiscal year beginning in 1982.

Who Must File

Every partnership (as defined on page 2 of these instructions) engaged in a trade or business or having income from sources within the United States must file Form 1065. A partnership must file even if its principal place of business is outside the United States or all its members are nonresident aliens.

Religious and apostolic organizations that are exempt from income tax under section 501(d) must file Form 1065.

A partnership that neither carries on business within the United States nor receives income from sources within the United States is not required to file unless it has any U.S. partners and its tax year began after 9/3/82. See Act Section 404 of the Tax Equity and Fiscal Responsibility Act of 1982.

A syndicate, pool, joint venture, or similar organization that elects under section 761(a) not to be treated as a partnership is not required to file Form 1065 except for the year of the election. To qualify for the election the organization must be:

(1) An investing unincorporated organization;

(2) An organization that participates in the joint production, extraction, or use of property under an operating agreement; or

(3) An organization that deals in securities for a short period for the purpose of underwriting, selling, or distributing a particular issue of securities.

To make the election, the organization should attach a statement to Form 1065 explaining that it is an organization described under section 761(a) and does not want to be treated as a partnership. (See **Publication 541** for more information.)

When to File

A resident partnership must file Form 1065 by the 15th day of the 4th month following the close of its tax year. A partnership whose partners are all nonresident aliens must file its return by the 15th day of the 6th month following the close of its tax year.

To change a partnership's tax year, or to adopt an initial tax year for a new partnership, see section 706(b) and **Form 1128,** Application for Change in Accounting Period.

If you need more time to file a partnership return, file **Form 2758,** Application for Extension of Time to File.

See **Publication 538,** Accounting Periods and Methods, for more information.

Where to File

Use the addressed envelope that came with the return or use the Internal Revenue Service Center address for the State where the partnership's principal place of business or principal office or agency is located. No street address is necessary. See the following list of Service Centers.

A partnership without a principal office or agency or principal place of business in the United States must file its return with the Internal Revenue Service Center, Philadelphia, PA 19255.

If the partnership's principal place of business or principal office or agency is located in ▼	Use the following Internal Revenue Service Center address ▼
New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester	Holtsville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05501
Alabama, Florida, Georgia, Mississippi, South Carolina	Atlanta, GA 31101
Michigan, Ohio	Cincinnati, OH 45999
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
Illinois, Iowa, Missouri, Wisconsin	Kansas City, MO 64999
California, Hawaii	Fresno, CA 93888
Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia	Memphis, TN 37501
Delaware, District of Columbia, Maryland, Pennsylvania	Philadelphia, PA 19255

Penalty

The law imposes a penalty on the partnership for failure to file a complete return on time unless the failure is due to reasonable cause. Section 6698 provides that the amount of the penalty for each month or fraction of a month (for a maximum of 5 months) the failure continues is $50 multiplied by the total number of persons who were partners in the partnership during any part of the partnership's tax year for which the return is due. (The penalty for failure to file a partnership return will not be imposed on certain small partnerships if they (1) are of a type that has not historically filed a partnership return and (2) meet the required procedures under Revenue Procedure 81–11, 1981–1 C.B. 651.)

Family-farm partnerships, family-owned wholesale or retail store partnerships, and co-owners of investment property, see "Filing a Complete Return" on page 3 of the Instructions before completing Schedules L and M.

General Information

Note: *In addition to those publications listed throughout the Instructions, you may wish to get* **Publication 334,** *Tax Guide for Small Business,* **Publication 541,** *Tax Information on Partnerships,* **Publication 550,** *Investment Income and Expenses,* **Publication 535,** *Business Expenses, and* **Publication 536,** *Net Operating Losses and the At-Risk Limits.*

Unresolved Tax Problems

IRS has a Problem Resolution Program for taxpayers who have been unable to resolve their problems with IRS. If the partnership has a tax problem it has been unable to resolve through normal channels, write to the partnership's local IRS District Director or call the partnership's local IRS office and ask for Problem Resolution assistance. This office will take responsibility for your problem and ensure that it receives proper attention. Although the Problem Resolution Office cannot change the tax law or technical decisions, it can frequently clear up misunderstandings that resulted from previous contacts.

Accounting Methods

Figure ordinary income by the accounting method regularly used in maintaining the partnership's books and records. The method must clearly reflect income. (See section 446.) Unless allowed otherwise by law, the partnership may not change the accounting method used to report income in earlier years (for income as a whole or for any material item) without first getting consent on **Form 3115,** Application for Change in Accounting Method. See **Publication 538,** Accounting Periods and Methods, for more information.

Rounding off to Whole-Dollar Amounts

You may show the money items on the return and accompanying schedules as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 cents through 99 cents to the next higher dollar.

Recordkeeping

The partnership records must be kept as long as their contents may be material in the administration of any Internal Revenue law. Copies of the filed tax returns should also be kept as part of the partnership's records. Please see **Publication 583,** Information for Business Taxpayers, for more details.

Amended Return

If, after the partnership files its return, it later becomes aware of any changes it must make to income, deductions, credits, etc., the partnership should file an amended Form 1065 and an amended Schedule K–1 for each partner to change the forms already filed. Check the box at item H(3), page 1, Form 1065. Give a corrected Schedule K–1 (Form 1065) to each partner.

If the partnership's Federal return is changed for any reason, it may affect its State return. This would include changes made as a result of an examination of the partnership return by the IRS. Contact the State tax agency where the State return is filed for more information.

If the partnership's tax year began after September 3, 1982, see section 6227 for more information.

Information Returns

Every partnership must file information returns if it makes payments of rents, commissions, or other fixed or determinable income totaling $600 or more to any one person in the course of its trade or business during the calendar year. It must report interest payments if they total $10 or more.

For example, if the partnership pays an individual $600 or more in any calendar year to perform services under a subcontract type of arrangement in which no employment taxes are withheld, the partnership must file **Form 1099–NEC, Statement for Recipients of Nonemployee Compensation.**

Use **Form 1096,** Annual Summary and **Transmittal of U.S. Information Returns,** to summarize and send information returns to the Internal Revenue Service Center. For more information about filing information returns and exceptions, see the Instructions for Form 1096.

Note: *Additional information reporting and withholding of income tax for certain payments will be required after 12/31/82. See the 1983 instructions for Form 1096.*

Attachments

If you need more space on the forms or schedules, attach separate sheets. Use the same arrangement as the printed forms, and show the totals on the printed forms. Be sure to put the partnership's name and employer identification number on each sheet.

Definitions

a. Partnership. The term "partnership" includes a limited partnership, syndicate, group, pool, joint venture, or other unincorporated organization, through or by which any business, financial operation, or venture is carried on, that is not, within the meaning of the Internal Revenue Code, a corporation, trust, estate, or sole proprietorship. If an organization more nearly resembles a corporation than a partnership or trust, it is considered an association taxed as a corporation.

Important factors in determining whether a partnership exists include:

1. The parties' conduct in carrying out the provisions of the partnership agreement;
2. The testimony of disinterested persons;
3. The relationship of the parties;
4. The abilities and contributions of each; and
5. The control each has over the partnership income and the purposes for which the income is used.

A joint undertaking merely to share expenses is not a partnership. Mere co-ownership of property that is maintained and leased or rented does not constitute a partnership. However, if the co-owners provide services to the tenants, a partnership exists.

Some partnerships may be excluded completely or partially from being treated as partnerships for federal income tax purposes upon the election of all the members. See **Specific Instructions** on page 3 and **Publication 541** for more information.

b. General Partner. A general partner is a member of the organization who is personally liable for the obligations of the partnership.

c. Limited Partner. A limited partner is one whose potential personal liability for partnership debts is limited to the amount of money or other property that the partner contributed or is required to contribute to the partnership.

d. Limited Partnership. A limited partnership is a partnership composed of at least one general partner and one or more limited partners.

e. Nonrecourse Loans. Nonrecourse loans are those liabilities of the partnership for which none of the partners have any personal liability.

Section 702(a) Items

Under section 702(a) the partners are required to take into account separately their distributive shares, whether or not distributed, of: (1) gains and losses from sales and exchanges of capital assets held for 1 year or less; (2) gains and losses from sales and exchanges of capital assets held for more than 1 year; (3) gains and losses from sales and exchanges of property described in section 1231; (4) charitable contributions; (5) qualifying dividends (section 116) and All-Savers interest (section 128); (6) taxes described in section 901; (7) other items of income, gain, loss, deduction, or credit, to the extent provided by regulations (see instructions for Schedule K); and (8) taxable income or loss (ordinary income or loss) exclusive of items 1 through 7 above.

Elections

Generally, the partnership decides how to figure taxable income from its operations. For example, it chooses the accounting method and depreciation methods it will use. The partnership also makes the elections under the following sections:

- Section 1033 provides for an election by the partnership not to recognize gain when property is compulsorily or involuntarily converted into property (other than like-kind property) or into money to the extent it is reinvested in similar property.
- Section 754 provides rules under which a partnership may elect to adjust the basis of its remaining assets: (a) when assets distributed to a partner have increased or decreased in value; (b) to reflect the purchase price paid by a new partner for the new partner's interest; or (c) to reflect a change in the basis of a partnership interest on the death of a partner. See regulation section 1.754–1(b).

- Section 179 provides for an election by the partnership to pass through to the partners, as a current expense, up to $5,000 of the cost of certain depreciable assets. See Form 4562.
- Section 190 provides for an election by the partnership to pass through to the partners, as a current expense, up to $25,000 of expenditures for the removal of architectural and transportation barriers to the handicapped and elderly.

Information about other elections may be found under the applicable sections of Chapter 1 of the Code and the Income Tax regulations.

Elections under the following Code sections are made by a partner separately on the partner's income tax return and not by the partnership: section 901 (foreign tax credit), section 617 (deduction and recapture of certain mining exploration expenditures, paid or incurred), section 57(c) (definition of net lease), section 163(d)(6) (limitation on interest on investment indebtedness), and sections 108(b)(5) or 108(d)(4) (income from discharge of indebtedness).

Distribution of Unrealized Receivables and Inventory Items

If a partnership distributes unrealized receivables or substantially appreciated inventory items for all or part of a partner's interest in other partnership property (including money), treat the transaction as a sale or exchange between the partner and the partnership. Treat the partnership gain (loss) as ordinary income (loss). Allocate it only to partners (other than the distributee partner) who will take this amount into account separately under section 702(a)(7). If a partnership gives other property (including money) for all or part of that partner's interest in the partnership's unrealized receivables or substantially appreciated inventory items, treat the transaction as a sale or exchange of the property. See section 751 and related regulations for definitions of unrealized receivables and substantially appreciated inventory items. See **Publication 541** for more information.

Net Operating Loss Deduction

A partnership is not allowed the deduction for net operating losses.

Contributions to the Partnership

Generally, no gain (loss) is recognized to the partnership or any of the partners when property is given to the partnership in exchange for an interest in the partnership. This rule does not apply to any gain realized on a transfer of property to a partnership that would be treated as an investment company (within the meaning of section 351) if the partnership were incorporated.

The basis to the partnership of property given by a partner is the adjusted basis in the hands of the partner at the time it was given, plus any gain recognized to the partner at that time. (See section 723.)

Production Costs of Films, Books, Records, or Similar Property

Except for production costs charged to a capital account, expenses for the production of a film, sound recording, book, or similar property are deductible only in those tax years in which the partnership reasonably may expect to receive most of the income from the property. See section 280 for definitions and how to figure the deduction for the year.

International Boycotts

Under section 999(a), you may be required to file Form 5713 if you are:

- a partnership,
- a partner in a partnership, or
- a partnership that is a U.S. shareholder in a foreign corporation,

AND you have operations in or with

- a country,
- the government of a country,
- a company, or
- a national of a country

that requires participation in, or cooperation with, an international boycott as a condition of doing business.

The partnership must give each partner a copy of Form 5713 filed by the partnership if there has been participation in or cooperation with an international boycott.

Signatures

General Partner

Form 1065 is not considered a return unless it is signed. One general partner must sign the return. If a receiver, trustee in bankruptcy, or assignee controls the organization's property or business, that person must sign the return.

Paid Preparer's Information

If someone prepares the return and **does not charge the partnership,** that person **should not** sign the partnership return.

Generally, anyone who is paid to prepare the partnership return must sign the return and fill in the other blanks in the **Paid Preparer's Use Only** area of the return.

The preparer required to sign the partnership's return MUST complete the required preparer information and:

- *Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)*
- *Give the partnership a copy of the return in addition to the copy to be filed with IRS.*

Tax return preparers should be familiar with their responsibilities. They should see **Publication 1045,** Information and Order Blanks for Preparers of Federal Income Tax Returns, for more details.

Specific Instructions

These instructions follow the line numbers on the first page of Form 1065 and on the schedules that accompany it. Specific instructions for most of the lines have been provided. Those lines that do not appear in the instructions are self-explanatory.

Fill in all applicable lines and schedules. Enter any items specially allocated to the partners on Schedule K, line 19, and not on the numbered lines on Form 1065, page 1, or in Schedules A or D.

File only one return for each partnership. Mark "duplicate copy" on any copy you give to a partner.

If a syndicate, pool, joint venture, or similar group files Form 1065, a copy of the agreement and all amendments must be attached to the return, unless a copy has already been filed.

Name, Address, and Employer Identification Number

The partnership may use its legal or trade name on all tax returns and other documents filed. Use the label on the package that was mailed to the partnership and make sure it is correct. If the partnership's name, address, or employer identification number is wrong on the label, mark through it and write the correct information on the label. If the partnership did not receive a booklet with a label, print or type the partnership's legal or trade name and address on the appropriate line. Show the correct employer identification number in item D on page 1 of Form 1065. If the partnership does not have an employer identification number, it must apply for one on Form SS–4, Application for Employer Identification Number. See **Publication 583,** Information for Business Taxpayers, for more information on your employer identification number.

Question F. Enter the total assets of the partnership from Schedule L, line 13, column (D). If there are no assets at the end of the tax year, enter the total assets as of the beginning of the tax year.

Question I. Filing a Complete Return. The partnership will be considered to have filed a complete return, and is not required to complete Schedules L and M, item F on page 1 of Form 1065, and item E on Schedule K–1 if **ALL** of the following requirements are met:

1. The partnership's only income producing activity is from one or more of the following:
    a. Family farm partnership.
    b. Family-owned wholesale or retail store partnership.
    c. Co-ownership of investment property.
2. There are ten or fewer partners.
3. The partnership is a domestic partnership composed entirely of noncorporate general partners.
4. The partnership is not in partnership with any other partnership.
5. Each partner's interest in the capital is the same as his or her interest in the profits.
6. All of the income, deductions, and credits, are allocated to each partner in proportion to that partner's pro rata interest.
7. Schedules K–1 are filed with the return and furnished to the partners on or before the due date of the partnership return including extensions.

If Schedules L and M are not being completed because the partnership meets **ALL** of the above requirements, check the box at question I on page 1 of Form 1065.

Question O. Check "Yes" if either **a.** OR **b.** below applies to you.
a. At any time during the year the partnership had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.

Exception: Check "No" if either of the following applies to the partnership:

- The combined value of the accounts was $1,000 or less during the whole year.
- The accounts were with a U.S. military banking facility operated by a U.S. financial institution.

b. The partnership owns more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get Form 90–22.1, Report of Foreign Bank and Financial Accounts, to see if the partnership is considered to have an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.

If you checked "Yes" for Question O, file Form 90–22.1 by June 30, 1983. File it with the Department of the Treasury at the address shown on the form. Form 90–22.1 is not a tax return. *Do not file it with the IRS.*

Question P. Check "Yes" if the partnership was a grantor of, or a transferor to, a foreign trust that existed during the tax year.

A U.S. partnership that ever transferred property to a foreign trust may have to include the income from that property in the partnership's taxable income if the trust had a U.S. beneficiary during 1982. (See section 679.)

If the partnership transfers property to a foreign corporation as paid-in surplus or as a contribution to capital, or to a foreign trust or partnership, an excise tax is imposed under section 1491 (see **Form 926**, Return by a Transferor of Property to a Foreign Corporation, Foreign Estate or Trust, or Foreign Partnership). To avoid this excise tax, the partnership may choose to treat the transfer as a taxable sale or exchange as specified in section 1057.

Income

(Lines 1–11)

Caution: *Do not include investment interest expense incurred after 12/16/69 in figuring the amounts to enter on lines 1 through 10. Report this amount on lines 15a and 15b. This amount is passed through to the partners on Schedules K and K–1, lines 21a(2) and (3). See the instructions for lines 15a–15c and Schedules K and K–1, line 21. Property held for investment, including property subject to a net lease, includes all investments held for producing taxable income or gain. It does not include property used in the partnership's trade or business.*

Note: *Do not include any income that is tax-exempt in lines 1–11. Enter these amounts in Schedule M, column d.*

A partnership that receives any exempt income other than interest, or holds any property or engages in any activity that produces exempt income, must attach to its return an itemized statement showing the amount of each type of exempt income, and the amount of expense allocated to each type.

Also see the **Note** *under instructions for* **Deductions** *for expenses related to tax-exempt income.*

If the partnership has been involved in bankruptcy, insolvency, or similar proceedings, see section 108 and **Publication 908**, *Bankruptcy, for more information.*

Line 1

Enter gross receipts or sales from all business operations. Do not include those you are required to report on lines 4 through 10. For example, do not include gross receipts from farming on this line. Instead, show net profits (losses) from farming on line 8.

Line 2

If the entry on line 2 of Form 1065 is for the cost of operations, complete Schedule A, even if inventories are not used.

Line 3

If the partnership uses the installment method for reporting gross profit under section 453A, attach a schedule showing separately the following for the current year and the 3 preceding years: (a) gross sales; (b) cost of goods sold; (c) gross profits; (d) percentage of gross profit to gross sales; (e) amount collected; and (f) gross profit on amount collected. Enter the total reportable gross profit on line 3 and refer to the schedule attached.

Line 4

Enter the amount shown on Form 1065, Schedule K–1, or Form 1041, Schedule K–1.

If there is a loss from another partnership, the amount of the loss that may be claimed is subject to the limitations of sections 465 and 704(d), as appropriate.

Example: If Partnership A is a partner in Partnership B, Partnership A enters on this line its share of ordinary income (loss) of B. This information should be shown on the Schedule K–1 that B issued to Partnership A.

If A's tax year does not coincide with B's tax year, include in A's return the share of the ordinary income (loss) for the tax year of B ending with or within the year for which A's return is filed.

Partnership A considers its share of other items separately reported on the Schedule K–1 issued by B as if the items were realized by A or incurred in the same manner as incurred by B. For example, Partnership A's share of B's capital gains (losses) should be reported on Schedule D of Form 1065, lines 3 and 7.

Line 5

Enter the total nonqualifying interest and the total nonqualifying dividends. See **Publication 550** for additional information.

Nonqualifying Interest

Nonqualifying interest is taxable interest that is included in ordinary income from all sources except interest from All-Savers Certificates (ASC's), interest exempt from tax, and interest on tax-free covenant bonds.

Interest from All-Savers Certificates

Interest from All-Savers Certificates is passed through to the partners on Schedules K and K–1, line 3.

Early Redemptions. If the partnership redeems any part of an ASC before its maturity, none of the interest earned on the ASC may be excluded. Enter this amount on line 5. Do not enter it on Schedules K and K–1, line 3.

If the partnership redeems (or is treated as having redeemed) any part of an ASC before its maturity, any interest income that was excludible in a prior year must be reported on Schedules K and K–1, line 9 in the year in which the certificate is redeemed (or is treated as being redeemed). Label it "Early redemption ASC." Do not include it on this line as nonqualifying interest.

If the partnership uses all or part of the certificate as collateral or security for a loan, it is treated as having redeemed the certificate before its maturity.

Nonqualifying Dividends

Nonqualifying dividends are taxable dividends that are included in ordinary income and for which the individual partner is **not** entitled to an exclusion under section 116. These dividends come from the following:

- Foreign corporations, including a controlled foreign corporation.
- Exempt organizations (charitable, fraternal, etc.) and exempt farmers' cooperative organizations.
- Regulated investment companies (including Money Market Funds) and real estate investment trusts, unless the companies have told you how much of the dividends qualify for the exclusion.

Qualifying dividends are taxable dividends received from domestic corporations not listed above. They are passed through to the partners on Schedules K and K–1, line 4. See section 116 for more information.

Lines 6a—6c

Report the income and expenses of rental property. The expense deductions for the rental of a dwelling unit may be limited if the property is used by a partner for personal purposes. (See section 280A.)

Before deducting any interest expense, see the instructions for line 15 and Schedule K, line 21c to determine if the interest on rental property is investment interest.

Line 8

Enter the partnership's net profit (loss) from Schedule F (Form 1040). Attach Schedule F (Form 1040) to Form 1065. Do **not** include on this line any farm profit (loss) from other partnerships. Report those amounts on line 4.

Also report the partnership's fishing income on this line.

A farming syndicate is allowed a deduction only for feed, seed, fertilizer, or other similar farm supplies in the tax year in which the items are actually used or consumed. For definitions, exceptions to the general rule, and special rules for poultry, see section 464. For special rules for grove, orchard, and vineyard expenses, see section 278.

If a corporation is a member of a partnership engaged in farming, see section 447.

For more information, get **Publication 225**, Farmer's Tax Guide.

Line 10

Enter any other taxable income not included in lines 1 through 9. Include taxable income from annuities and insurance proceeds. Also include in this line the amount shown on Schedule K, line 15 (the amount of credit for alcohol used as a fuel that was entered on **Form 6478**, Credit for Alcohol Used as Fuel). In the margin, next to the total amount, enter the amount of the credit and the words "Alcohol Fuel Credit."

Do not include those items requiring separate computations that must be reported on Schedule K. (See the instructions for Schedule K.)

Deductions

(Lines 12a–23)

Note: *Do not include any nondeductible amounts (such as expenses connected with the production of tax-exempt income) in lines 12a–23. Enter these amounts in Schedule M, column e.*

If an expense is connected with both taxable income and nontaxable income, allocate a reasonable part of the expense to each kind of income. (See section 265.)

Organization and Syndication Expenses

Amounts paid or incurred to organize a partnership or promote the sale of an interest in a partnership are capital expenditures subject to section 263. They are not deductible. Under section 709, the partnership may choose to amortize the organization expenses over a period of 60 or more months, beginning with the month in which the partnership begins business. (See the instructions for line 22.) On the balance sheet (Schedule L) show the unamortized balance of organization costs and all syndication expenditures. See the note in the instructions for line 13 for the treatment of these amounts paid to a partner.

Line 12a

Do not enter salaries and wages reported elsewhere such as on Schedule A, line 3, or on line 21a.

Line 12b

Enter the total amount of the jobs credit computed by the partnership. Subtract this from the salaries and wages shown on line 12a. See page 8 of the instructions for Schedules K and K–1, line 14. Also, see the Instructions for **Form 5884,** Jobs Credit, to figure the amount of credit to enter on line 12b.

For additional information, please get **Publication 906,** Jobs and Research Credits.

Line 13

Deduct payments or credits to a partner for services or for the use of capital if the payments or credits are determined without regard to partnership income. Do not do this if the payments and credits should be capitalized. Do not include distributive shares of partnership profits. Report the guaranteed payments to the appropriate partners on Schedule K–1 (Form 1065), line 2.

Note: *Although payments or credits to a partner for services rendered in organizing a partnership may be guaranteed payments under section 707, they are not deductible on line 13. But they should be separately reported on Schedules K and K–1, line 2. They are capital expenditures.*

Line 14

Enter rent paid on business property. Do not deduct rent for a dwelling unit occupied by any partner for personal use.

Lines 15a—15c

Caution: Include on lines 15a and 15b interest expense on indebtedness incurred after 12/16/69 to purchase or carry property held for investment (including net lease property). Also include interest expense not incurred in the trade or business of the partnership required to be reported on line 13 of Schedules K and K–1. Property held for investment includes all investments held for producing taxable income or gain. It does not generally include property used in a trade or business. See the instructions for Schedules K and K–1, line 21b for a description of investment income. See the instructions for Schedules K and K–1, line 21c to determine if rental property is investment property.

Line 15a. Enter interest on all indebtedness incurred for the operation of the partnership that is deductible by either the partnership or the partner (that is not claimed elsewhere on the return).

Payments or credits by a partnership to a partner for the use of capital should be entered on line 13. But interest paid by a partnership to a partner as a result of a transaction in which the partner acts as other than a partner, should be entered on line 15a. This interest is also reported on **Form 1099–INT,** Statement for Recipients of Interest Income, if over $10. (The limitations on deductions for unpaid interest are in regulation 1.267(b)–1(b).)

Generally, both accrual and cash basis partnerships must deduct prepaid interest payments over the period of the prepayment instead of when actually paid. (See section 461(g).)

Do not include on line 15a:

- Interest paid on funds borrowed to purchase All-Savers Certificates.
- Amounts claimed elsewhere on the return such as on line 6b, line 7, or line 8.
- Amounts paid or accrued during the year for real property construction period interest (other than for low-income housing). See the instructions for line 22 for information on amortizing these amounts. See section 189 for more information.

For more information, see section 163(d) and **Form 4952,** Investment Interest Expense Deduction.

Line 16

Enter taxes paid or incurred on business property for carrying on a trade or business, if not reflected in cost of goods sold. Federal import duties and Federal excise and stamp taxes are deductible only if paid or incurred in carrying on the trade or business of the partnership. Taxes incurred in the production or collection of income, or for the management, conservation, or maintenance of property held for the production of income may be considered to be deductible only under section 212. These are not deductible on line 16; they are reportable separately to the partners on Schedules K and K–1, line 13, as an itemized deduction. Do not deduct taxes assessed against local benefits that increase the value of the property assessed (such as for paving, etc.), Federal income taxes, estate, inheritance, legacy, succession, and gift taxes, or taxes reported elsewhere, as on line 6b or Schedule K.

Do not deduct amounts paid or accrued during the year for real property construction period taxes (other than for low-income housing). See the instructions for line 22 for information on amortizing these amounts.

Line 17

You may either deduct business bad debts when they become wholly or partially worthless, or you may make a reasonable addition to a reserve for bad debts. Complete Schedule I if the partnership uses the reserve method. A partnership may choose either method on its first return in which it takes a bad debt deduction. It must use that method for following years unless it receives permission to change. However, if the partnership is changing from the specific charge-off method (section 166(a)) to the reserve method (section 166(c)), see Revenue Procedure 82–19, 1982–1 C.B. 463.

Line 18

Enter the cost of incidental repairs, such as labor and supplies, that do not add to the value of the property or appreciably prolong its life. New building, machinery, or permanent improvements that increase the value of the property are not deductible. They are chargeable to capital accounts and may be depreciated or amortized.

Do not include section 179 expense items. Report this amount on Form 4562, Part I, Section A and on Schedule K, line 11.

Line 19

Enter the total amount of depreciation claimed. Complete and attach **Form 4562,** Depreciation and Amortization. See Form 4562 and the related instructions and **Publication 534,** Depreciation, for more information.

Do not include any expense deduction for recovery property (section 179) on this line. This amount is not deductible by the partnership. Instead, it is passed through to the partners on line 11 of Schedules K and K–1.

Line 20

If the partnership claims a deduction for timber depletion, complete and attach Form T.

Do not report depletion deductions for oil and gas properties on this line. Each partner figures depletion on these properties under section 613A(c)(7)(D). See the Instructions for Schedules K and K–1, line 18c, item d, for the information on oil and gas depletion that must be supplied to the partners by the partnership.

Line 21a

Enter deductible contributions made by the partnership for its common-law employees under a qualified pension, profit-sharing, annuity, bond purchase plan, or Simplified Employee Pension plan (SEP), and under any other deferred compensation plan. Except for payments to SEP's, enter payments made to these plans for partners on Schedules K and K–1, line 12b. Enter payments for partners to SEP's on Schedules K and K–1, line 12c. See **Form 5305–SEP,** Simplified Employee Pension—Individual Retirement Accounts Contribution Agreement, for more information.

If the partnership contributes to an Individual Retirement Arrangement (IRA) for employees, include the contribution in compensation on page 1, line 12a, or Schedule A, line 3, not on line 21a. Enter contributions to an IRA for a partner on Schedules K and K–1, line 12a.

Note: Employers who maintain a pension, profit-sharing, or other funded deferred

compensation plan (other than a SEP), whether or not the plan is qualified under the Internal Revenue Code and whether or not a deduction is claimed for the current year, generally are required to file one of the forms described below. The Employee Retirement Income Security Act of 1974 imposes a penalty for not filing these forms on time.

Complete Form 5500, Annual Return/Report of Employee Benefit Plan, for each plan with 100 or more participants.

Complete the applicable Form 5500–C, Return/Report of Employee Benefit Plan; Form 5500–K, Annual Return/Report of Employee Pension Benefit Plan for Sole Proprietorships and Partnerships; or Form 5500–R, Registration Statement of Employee Benefit Plan, for each plan with fewer than 100 participants.

Line 21b

Enter the partnership's contributions to employee benefit programs for common-law employees which are not part of retirement plans included on line 21a, such as contributions for insurance, health, and welfare programs.

Also include the partnership's contributions to a qualified group legal services plan established for the exclusive benefit of employees (including partners) or their spouses or dependents. The plan must be a separate written plan designed to provide specified benefits of personal legal services through prepayment of, or provision in advance for, legal fees in whole or in part by the employer. (See section 120.)

Line 22

Enter any other authorized deductions for which there is no line on page 1 of the return. Do not include those items requiring separate computation which must be reported on Schedule K. Do not deduct losses incurred in transactions which were not connected with the partnership's trade or business. Report these losses separately to the partners on Schedules K and K–1, line 9.

Note: Travel and Entertainment. Generally, the partnership can deduct all ordinary and necessary travel and entertainment expenses paid or incurred in its trade or business. However, it cannot deduct any expense paid or incurred for a facility (such as a yacht or hunting lodge) that is used for an activity that is usually considered entertainment, amusement, or recreation. (The partnership may be able to deduct the expense if the amount is treated as compensation and reported on Form W–2 for an employee or on Form 1099–NEC for an independent contractor.) See **Publication 463**, Travel, Entertainment, and Gift Expenses, for more details.

Amortization

Enter the amount from Form 4562, Part II. If the partnership elects the deduction for amortization of certain expenditures for research and experiments (section 174), trademark and trade name (section 177), or mine or natural deposit development (section 616), file a statement with the return.

See section 194 for amortization of forestation or reforestation expenditures.

See section 195 for amortization of start-up expenditures.

See section 169 for amortization of the cost of certified pollution control facilities over a 5-year period.

See section 188 for amortization of certain expenditures made before January 1, 1977, for on-the-job training facilities and before January 1, 1982, for child-care facilities.

If the partnership owns a certified historic structure and pays or incurs certain capital expenditures to rehabilitate it, special rules apply. See **Publication 535**, Business Expenses, for more information on rehabilitation expenditures of a certified historic structure.

See section 709 for amortization of partnership organization expenses over a period of 60 or more months.

See section 189(b) for amortization of real property construction period interest and taxes. Real property construction period interest and taxes generally cannot be fully deducted in the year the partnership paid or incurred them. The partnership must capitalize and amortize amounts not allowed as a deduction in the current year. This rule does not apply to low-income housing.

However, beginning in 1982, the partnership does not have to capitalize and amortize real property interest and taxes attributable to real property that it does not reasonably expect to use in its trade or business or in an activity engaged in for profit.

For more information on amortization, please get **Publication 535**.

Schedule A

Cost of Goods Sold and/or Operations

Line 2

Include withdrawals for personal use in Schedules M and K–1 (Item E) as distributions to partners.

Lines 9a—9e

Your inventories can be valued at:

a. cost,

b. cost or market value (whichever is lower), or

c. any other method approved by the Commissioner of Internal Revenue that conforms with the provisions of the applicable regulations cited below.

Taxpayers using erroneous valuation methods should request permission to change to a method permitted for Federal tax purposes. For more information regarding the change, see regulation section 1.446–1(e)(3) and Rev. Proc. 80–51, 1980–2 C.B. 818.

Check the method(s) used for valuing inventories in line 9a. Under "lower of cost or market," market generally applies to normal market conditions when there is a current bid price prevailing at the date the inventory is valued. When no regular open market exists or when quotations are nominal because of inactive market conditions, use fair market prices from the most reliable sales or purchase transactions that occurred near the date the inventory is valued. For additional requirements, see regulation section 1.471–4.

Inventory may be valued below cost when the merchandise is unsalable at normal prices or unusable in the normal way because the goods are "subnormal" (that is, because of damage, imperfections, shop wear, etc.) within the meaning of regulation section 1.471–2(c). Such goods may be valued at a current bona fide selling price minus the direct cost of disposition (but not less than scrap value) if the taxpayer can establish such a price. See regulation section 1.471–2(c) for additional requirements.

In line 9b, indicate whether you used a method of inventory valuation other than those described in line 9a, and attach a statement describing the method used.

If this is the first year the "Last-in First-out" (LIFO) inventory method was either adopted or extended to inventory goods not previously valued under the LIFO method, provided in section 472, attach Form 970, Application to Use LIFO Inventory Methods, or a statement with the information required by Form 970. Also check the LIFO box in line 9c.

Schedule D

Capital Gains and Losses

General Instructions

The holding period for long-term capital gains and losses is more than 1 year.

For amounts received from an installment sale, the holding period rule in effect in the year of sale will determine the treatment of the amounts received as long-term or short-term gain.

Report sales or exchanges of capital assets on this schedule. Report every sale or exchange of property in detail, even though there is no gain or loss. Exceptions are specially allocated gains and losses entered on Schedule K, line 19, and shown in a separate schedule attached to Form 1065. (See the instructions for Schedule K, line 19.)

To report sales or exchanges of property other than capital assets, including the sale or exchange of property used in a trade or business and involuntary conversions (other than casualties and thefts), see **Form 4797**, Supplemental Schedule of Gains and Losses, and related instructions.

For more information, see **Publication 544**, Sales and Other Dispositions of Assets.

Transfer of Appreciated Property to a Political Organization

If at the time a partnership transfers property to a political organization the fair market value of the property is more than the partnership's adjusted basis, the partnership must treat this transaction as a sale of property on the date of transfer. Report the fair market value of the property at the time of the transfer as the sales price. Ordinary income or capital gains provisions will apply as if a sale had actually occurred. (See section 84.)

Exchange of Like Kind Property

No gain or loss is recognized when property held for use in a trade or business or for investment is exchanged solely for property of a like kind to be held either for use in a trade or business or for investment. Nevertheless, the partnership must report the transaction on Schedule D of Form 1065, or Form 4797, whichever applies.

This nonrecognition does not apply to property that is stock in trade or other property held primarily for sale. It also does not include stocks, bonds, notes, certificates of trust or beneficial interest, or other securities or evidences of indebtedness or interest.

If the partnership uses Schedule D of Form 1065, identify the property disposed of in column a. Enter the date of acquisition in column b and the date of exchange in column c. Write "like kind exchange" in column d, and enter the adjusted basis in column e. Enter zero in column f. (See section 1031.)

Capital Gain Distributions

On line 8, report as long-term capital gain distributions (a) a capital gain dividend or (b) the partnership's share of the undistributed capital gain from a regulated investment company. (See the instructions for Schedule K, line 18c, item a.)

Losses on Worthless Securities

If any securities that are capital assets become worthless during the tax year, the loss is a loss from the sale or exchange of capital assets as of the last day of the tax year.

Collapsible Corporations

Gain from the sale or exchange of stock in a collapsible corporation is not a capital gain. (See section 341.)

Losses from Wash Sales

The partnership cannot deduct losses from a wash sale of stock or securities unless the losses were sustained in connection with the partnership's trade or business. A wash sale occurs if the partnership acquires (by purchase or exchange), or has a contract or option to acquire, substantially identical stock or securities within 30 days before or after the date of the sale or exchange.

Installment Sales

If the partnership sold property at a gain, and is to receive any payment in a tax year after the year of sale, it must use the installment method and **Form 6252**, Computation of Installment Sale Income, unless it elects not to use the installment method. The partnership should also use Form 6252 if the partnership received a payment in 1982 from a sale made in an earlier year on the installment method.

If the partnership wants to elect out of the installment method, it must do the following on a timely filed return (including extensions):

(1) Report the full amount of the sale on Schedule D.

(2) If the partnership received a note or other obligation and is reporting it at less than face value (including all contingent obligations), state that fact in the margin and give the percentage of valuation.

Disposition of foreign investment in U.S. real property interest

See section 897.

Regulated Futures Contracts and Straddle Positions

For information on how to report gains and losses from regulated futures contracts and straddles, see **Form 6781**, Gains and Losses From Commodity Futures Contracts and Straddle Positions.

Specific Instructions

Column d

Enter in this column the selling price of the property sold. Reduce this by any expense of sale such as broker's fee, commission, etc.

Column e

In general, the cost or adjusted basis is the cost of the property plus purchase commissions and improvements and minus depreciation, amortization, and depletion. If the partnership got the property in a tax-free exchange, involuntary conversion, or wash sale of stock, it may not be able to use the actual cash cost as the basis. If the partnership does not use cash cost, please attach an explanation of the basis.

When selling stock, adjust the basis by subtracting all the nontaxable distributions received before the sale. This includes nontaxable dividends from utility company stock and mutual funds. Also adjust the basis for any stock splits.

If a charitable contribution deduction is passed through to a partner because of a sale of property to a charitable organization, the adjusted basis for determining gain from the sale is an amount which has the same ratio to the adjusted basis as the amount realized has to the fair market value.

Lines 3 and 7

See Schedule(s) K–1 or other information supplied to you by the other partnership or fiduciary.

Schedule K and Schedule K-1

Partner's Share of Income, Credits, Deductions, etc.

Purpose

Schedule K is a summary schedule of all the partners' shares of the partnership's income, deductions, credits, etc. Schedule K–1 shows each partner's separate share. Copy A of each K–1 is attached to the Form 1065 filed with the Internal Revenue Service. Copy B is kept with a copy of the partnership return as a part of the partnership's records. Copy C and its attached instructions are sent to the partner.

General Instructions

Although the partnership is not subject to income tax, the members are liable for income tax and self-employment tax on their shares of the partnership income, whether or not distributed, and must include their share on their tax returns.

The total amount of the distributive share items (column b) reported on each line on all of the partners' Schedules K–1 should equal the amount reported on the same line of Schedule K of Form 1065. Similarly, the total of the amounts reported in each column of question E of all the partners' Schedules K–1 should equal the amounts reported in the same column in Schedule M of Form 1065.

Schedules K and K–1 have the same line numbers. In addition, Schedule K–1 has questions A through E, and lines 23 and 24. Pay particular attention to the instructions for line 18c. Also refer to the instructions for the lettered items at the top of Schedule K–1.

Substitute forms—You do not need IRS approval to use a substitute Schedule K–1 if it is an exact facsimile of the IRS schedule (including the OMB number and the Instructions for the Partner attached to Copy C of Schedule K–1), or if it includes the OMB number and the Instructions for the Partner attached to Copy C of Schedule K–1, contains only those lines the taxpayer is required to use, and the lines have the same numbers and titles and are in the same order as on the comparable IRS Schedule K–1. Other substitute Schedules K–1 require approval. You may apply for approval of a substitute form by writing to: Internal Revenue Service, Attention D:R:R, 1111 Constitution Avenue, NW, Washington, DC 20224.

How Income Is Shared Among Partners

Income (loss) is allocated to a partner only for the part of the year in which that person is a member of the partnership. The partnership will either allocate on a daily basis or divide the partnership year into segments and allocate income, loss, or special items in each segment among the persons who were partners during that segment. (See section 706(c)(2) for more information and for the termination of a partner's interest.)

Allocate shares of income, gain, loss, deduction, or credit among the partners according to the partnership agreement for sharing income or loss generally. If the partners agree, specific items may be allocated among them in a ratio different from the ratio for sharing income or loss generally. For instance, if the net income exclusive of specially allocated items is divided evenly among three partners but some special items are allocated 50% to one, 30% to another, and 20% to the third partner, report the special items on Schedule K, line 19, instead of on the numbered lines on page 1 of Form 1065.

If the partnership agreement does not provide for the partner's share of income, gain, loss, deduction, or credit, or if the allocation under the agreement does not have substantial economic effect, the partner's share is determined according to the partner's interest in the partnership. (See section 704(b).)

Specific Instructions

(Schedule K only)

Enter the total distributive amount for each applicable item listed.

(Schedule K–1 only)

Prepare and give to each partner a Schedule K–1 on or before the day on which the partnership return was filed.

On each Schedule K–1, enter the names, addresses, and identifying numbers of the partner and partnership and the partner's distributive share of each item.

Caution: For an **individual** partner you must enter the partner's **social security number.** For all **other** partners you must enter their **employer identification number.**

Be sure to answer all the questions. Complete the Reconciliation of Partner's Capital Account on the front of the schedule (question E) unless you meet all of the requirements listed under the instructions for question I, on page 3.

Question B. Partner's Share of Liabilities. Enter each partner's share of nonrecourse liabilities and other liabilities. If the partner terminated his or her interest in the partnership during the year, enter the share that existed immediately before the total disposition. In all other cases, enter it as of the end of the year.

If the partnership is engaged in two or more different types of at risk activities, or a combination of at risk activities and any other activity, attach a statement showing the partner's share of nonrecourse liabilities and other liabilities for each activity. See sections 465(c)(2) and (3) and **Publication 536** to determine if the partnership is engaged in more than one at risk activity.

If a partnership is engaged in an activity subject to the limitations of section 465(c)(1), give each partner his or her share of the total pre-1976 loss(es) from a section 465(c)(1) activity (i.e., film or video tape, section 1245 property leasing, farm, or oil and gas property) for which there existed a corresponding amount of nonrecourse liability at the end of each year in which the loss(es) occurred.

Question C. Partner's Profit, Loss, and Capital Sharing Percentages. Enter in item C(ii) the percentage existing at the end of the year. However, if a partner's interest terminated during the year, enter in item C(i) the percentages that existed immediately before the termination. When the profit or loss sharing percentage has changed during the year, show the pre-change percentage in item C(i) and the end of year percentage in item C(ii). If there are multiple changes in the profit and loss sharing percentage during the year, attach a statement giving the date and percentage before each change. "Ownership of capital" means the portion of the capital that the partner would receive if the partnership was liquidated at year end by the distribution of undivided interests in partnership assets and liabilities.

Question D. What Type of Entity Is This Partner? State on this line whether the partner is an individual, a corporation, a fiduciary, a partnership, an exempt organization, or a nominee. If a nominee, indicate the type of entity the nominee represents: I—Individual; C—Corporation; F—Fiduciary; P—Partnership; or E—Exempt Organization.

Question E. Reconciliation of Partner's Capital Account. See page 3 of Instructions for question I and page 11 of Instructions for Schedule M.

(Schedules K and K–1 unless otherwise noted)

Income (loss)

Line 1

Enter the partner's share of the ordinary income (loss) reported on Form 1065, line 24. If line 24 is a loss, enter the partner's full share of the loss. If the partner holds interests in the partnership both as a general partner and as a limited partner, enter the total loss for all interests held in the partnership. Enter the loss without reference to the adjusted basis of the partner's interest in the partnership or the partner's amount at risk. Line 1 should reflect the total ordinary income (loss) from all business operations, including at risk activities and income (loss) from other activities.

Line 2

Enter: (1) the guaranteed payments to partners for salaries and interest deducted by the partnership and reported on Form 1065, line 13; and (2) the guaranteed payments to partners that the partnership is required to capitalize. (See the note in the instructions for Form 1065, line 13.)

Line 3

Enter the interest from All-Savers Certificates for which the partner is entitled to an exclusion under section 128. (See the instructions for Form 1065, line 5.)

Line 4

Enter the qualifying dividends received by the partnership from domestic corporations for which the partner is entitled to an exclusion under section 116. Money market fund dividends may qualify for the exclusion. The companies will tell the partnership what part, if any, of the dividends qualify for the exclusion. (See the instructions for Form 1065, line 5.)

Lines 5 through 8

Enter the gain (loss) which resulted from sales or exchanges (including involuntary conversions).

Caution for line 7.—Give each partner a schedule that separately shows each partner's share of the amount on Form 4684, line 20, column (B)(i) and column (B)(ii).

Line 9

Enter any other items of income, gain, or loss not included on lines 1–8, such as:

a. Interest from an ASC that was **excludable** in an earlier year, but no longer qualifies due to the early redemption of an ASC. Label this item "Early redemption ASC."

b. Gains from the disposition of farm recapture property (see Form 4797) and other items to which sections 1251 and 1252 apply.

c. Recoveries of bad debts, prior taxes, and delinquency amounts (section 111).

d. Gains and losses from wagers (section 165(d)).

e. Any income, gain, or loss to the partnership under section 751(b).

Deductions

Line 10

Enter the total amount of charitable contributions, and each amount subject to the 50%, 30%, and 20% limitations, paid by the partnership during its tax year. Attach an itemized list that separately shows the partnership's charitable contributions subject to the 50%, 30%, and 20% limitations.

If the partnership made a qualified conservation contribution under section 170(h), also include the fair market value of the underlying property before and after the donation, the type of legal interest contributed, and describe the conservation purpose furthered by the donation. Give a copy of this information to each partner.

Line 11

For tax years beginning after December 31, 1981, a partnership may elect to expense part of the cost (up to $5,000) of recovery property that qualifies for investment credit that the partnership purchased this year for use in its trade or business. The partnership may not deduct the section 179 expense, but should report the expense separately on Schedules K and K–1. The partners report their shares in the year in which the property is placed in service. Show the total section 179 expense on Schedule K, line 11, and allocate it to each partner on Schedule K–1 (Form 1065), line 11.

The partnership must specify the item(s) of section 179 property which it elects to treat as an expense and the portion of the cost of each item which is being treated as an expense. Do this on Form 4562 and on a schedule attached to Schedule K–1. Generally, any election made under section 179 may not be revoked except with the consent of the Secretary.

Depreciation, amortization, or investment credit may not be taken on any amount for which a deduction is allowed under section 179.

See section 179 and Form 4562 for more information.

Line 12b

State on this line whether the Keogh (H.R. 10) plan is a defined contribution plan or a defined benefit plan. (See section 401.)

If there is a defined benefit plan, attach to the Schedule K–1 for each partner a statement showing the amount of benefit accrued for the tax year.

Line 13

Enter any other deductions not included on lines 10–12c, such as:

a. Amounts (other than investment interest required to be reported on Schedules K and K–1, lines 21a(2) and 21a(3) and the part of Schedules K and K–1, line 21a(1) deductible under section 162), paid by the partnership that would be itemized deductions on any of the partners' income tax returns if they were paid directly by a partner for the same purpose. These amounts include, but are not limited to, expenses under section 212 for the production of income other than from the partnership's trade or business.

b. Any penalty on early withdrawal of savings. The Form 1099–INT or 1099–ASC given to the partnership by a bank or savings and loan association will show the amount of any penalty the partnership was charged because it withdrew funds from its time savings deposit before its maturity. Be sure to include the interest income on Schedules K and K–1, line 3.

c. Soil and water conservation expenditures (section 175).

d. Deduction and recapture of certain mining exploration expenditures paid or incurred (section 617).

e. Expenditures for the removal of architectural and transportation barriers to the elderly and handicapped which the partnership has elected to treat as a current expense (section 190).

f. Intangible drilling costs. See **Publication 535** to determine the amount to pass through to each partner.

Credits

Line 14

On Schedule K enter the jobs credit (from attached Form 5884) computed by the partnership. The jobs credit is computed at the partnership level. It is apportioned among the partners according to their interest in the partnership at the time the wages on which the credit is computed were paid or incurred. On Schedule K–1 enter each partner's share of the credit. See **Form 5884**, Jobs Credit for definitions, special rules, and limitations.

Line 15

A credit is allowed for the sale of alcohol fuel or the use of alcohol as a fuel by the partnership. The credit is figured at the partnership level and then apportioned to persons who are partners in the partnership on the last day of the partnership's tax year.

Complete and attach **Form 6478**, Credit for Alcohol Used as Fuel, to Form 1065.

The amount shown on this line must be included in the partnership's income. Report this credit on page 1, line 10 of Form 1065.

Line 16

Only fiscal year 1982/1983 partnerships whose tax year ends after 6/30/83 should use this line. Enter the amount of income tax that was withheld, from 7/1/83 until the end of the partnership's fiscal year ending in 1983, on the partnership's interest and dividend income that is reported on this return.

Line 17

Enter any other credits (other than investment credit which is reported on Schedule K–1, line 23 (see page 11 of Instructions)) not included in lines 14, 15, and 16, such as:

a. Nonconventional source fuel credit. The credit is figured at the partnership level and then is apportioned to persons who are partners in the partnership on the last day of the partnership's tax year. Attach a separate schedule to the return to show the computation of the credit. See section 44D for more information.

b. Unused credits from cooperatives. If the partnership is a member of a cooperative that passes an unused regular investment credit, unused energy investment credit, or unused WIN credit through to its members, enter the partnership's share of the unused credits on line 17 and identify the types of unused credits. If the partnership receives an unused jobs credit from a cooperative, it combines the credit with any other jobs credit it figures on Form 5884 and passes the combined credit through to the partners on line 14.

Any WIN credit carryover should be claimed with the jobs credit. See the instructions for Form 5884 for more information.

The unused credits are apportioned to persons who are partners in the partnership on the last day of the partnership's tax year. Attach a statement to Schedule K–1 (Form 1065) to show each partner's share of each unused credit.

c. Credit for increasing research activities. Complete and attach **Form 6765**, Credit for Increasing Research Activities.

Other

Line 18b

Schedule K. Enter the amount from line 13 of the worksheet below.

Schedule K–1. Do not complete this line for any partner that is a trust or corporation.

Enter each individual general partner's share of the amount shown on line 11c of the worksheet below. To figure each individual general partner's share of the amount on line 11c, multiply the amount on line 11c by the percentage you get when you divide each individual general partner's share of the partnership's ordinary income (loss) (line 1 of Schedule K–1) by the total partnership ordinary income (loss) (line 1 of Schedule K–1) for all the individual general partners. Enter the amount shown on line 11b on the applicable partner's Schedule K–1, line 18b. Add it to the partner's share of the amount on line 11c.

If a partner is both a general and a limited partner, add that partner's share of the amount on line 11c to that partner's share of the amount on line 12 and enter the total on line 18b of that partner's Schedule K–1.

Limited Partners

A limited partner's share of partnership ordinary income (loss) shown on line 1 of Schedules K and K–1 is not self-employment income. Limited partners may treat as self-employment income only guaranteed payments for services they actually rendered to, or on behalf of, the partnership to the extent that those payments are established as payment for those services (line 12 of the worksheet). Show only these amounts on line 18b of Schedule K–1 for a limited partner.

General Partners

General partners' net earnings (loss) from self-employment do not include:

- Interest on bonds, debentures, notes, certificates, or other evidences of indebtedness, issued with interest coupons or in registered form by a corporation, government, or political subdivision, unless received in the course of a trade or business as a dealer in stocks or securities.
- Rentals from real estate, except rentals received in the course of a trade or business as a real estate dealer.

However, receipts for the use or occupancy of rooms or other space where services are also rendered to the occupant (such as rooms in hotels, boarding houses, apartment houses, furnishing hotel services, tourist camps, tourist homes, or space in parking lots, trailer parks, warehouses, or storage garages) are not rentals from real estate for this purpose. General partners should include these amounts in determining net earnings (loss) from self-employment.

- Royalty income, except royalty income received in the course of a trade or business.

Worksheet Instructions

Lines 1b, 5b, and 10b. Allocate the amounts on these lines in the same way Form 1065, page 1, line 24 is allocated to these particular partners.

Line 2. Include in the amount on line 2 any guaranteed payments to partners reported on Schedule K, line 2. Also include other ordinary income and expense items reported on Schedule K that are self-employment income or expenses under section 1402.

Lines 3 and 4. For purposes of these two lines only, do not enter these amounts in parentheses.

Worksheet for Figuring Net Earnings from Self-Employment

1a	Ordinary income (loss) (Form 1065, page 1, line 24) . . .	1a	
b	Part allocated to partners who are trusts, corporations, or limited partners .	1b	
c	Subtract line 1b from line 1a. (If line 1a is a loss, reduce line 1a by the amount on line 1b.)	1c	
2	Guaranteed payments to partners included on Schedule K, line 2 . . .	2	
3	Net loss from rental of real estate	3	
4	Net loss from Form 4797 (Form 1065, page 1, line 9) . . .	4	
5a	Total (add lines 2, 3, and 4)	5a	
b	Part allocated to partners who are trusts, corporations, or limited partners .	5b	
c	Subtract line 5b from line 5a	5c	
6	Add lines 1c and 5c. (If line 1c is a loss, reduce line 1c by the amount on line 5c.)	6	
7	Nonqualifying interest and nonqualifying dividends (Form 1065, page 1, line 5)	7	
8	Net income from rental of real estate	8	
9	Net gain from Form 4797 (Form 1065, page 1, line 9) . . .	9	
10a	Total (add lines 7, 8, and 9)	10a	
b	Part allocated to partners who are trusts, corporations, or limited partners .	10b	
c	Subtract line 10b from line 10a	10c	
11a	Subtract line 10c from line 6. (If line 6 is a loss, increase the loss on line 6 by the amount on line 10c.)	11a	
b	Guaranteed payments to individual general partners included on line 2 above	11b	
c	Subtract line 11b from line 11a. (If line 11a is a loss, increase the loss on line 11a by the amount on line 11b.)	11c	
12	Guaranteed payments to individual limited partners included on line 2 above. Enter here and on the applicable partner's Schedule K–1, line 18b .	12	
13	Net earnings (loss) from self-employment. Add lines 11b, 11c, and 12. (If line 11c is a loss, reduce the loss on line 11c by the total of the amounts on lines 11b and 12.)	13	

Line 18e

Do not put an amount on this line. Instead, enter on an attached statement the description and amount of each partner's share of each of the items listed in a. through e. Show income or gains as a positive number; show losses with the number in parentheses.

a. Taxes paid on undistributed capital gains by a regulated investment company. As a shareholder of a regulated investment company, the partnership will receive notice on **Form 2439,** Notice to Shareholder of Undistributed Long-Term Capital Gains, that the company paid tax on undistributed capital gains.

b. The number of gallons of the fuels used during the tax year for each type of use identified on **Form 4136,** Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil, and in the related instructions.

c. Gross non-farm income which is used by an individual partner to figure self-employment income under the optional method.

d. The partner's share of gross income from the property, share of production for the tax year, etc., needed to figure the partner's depletion deduction for oil and gas wells. The partnership should also allocate to each partner a proportionate share of the adjusted basis of each partnership oil or gas property. The allocation of the basis of each property is made as specified in section 613A(c)(7)(D).

The partnership cannot deduct depletion on oil and gas wells. The partner must determine the allowable amount to report on his or her return. See **Publication 535** for more information.

e. For any partner that is a corporation: **1.** any income allocable to the partner(s) that is "timber preference income" under section 57(e); and **2.** the corporate partner's share of construction period interest and taxes, if any (see the instructions for line 22, Form 1065).

Specially Allocated Items

Line 19

Enter any items of income, gain, loss, deduction, or credit, subject to a special allocation under the partnership agreement that is different from the allocation of partnership income or loss.

Do not include amounts from line 19 anywhere else on Schedule K or K–1 as an item of income, deduction, or credit. Show income or gain as a positive number; show losses with the number in parentheses; label a credit as "CR."

A partnership that is a partner in another partnership must include on Form 4797 its share of specially allocated ordinary gains (losses) from sales, exchanges, or involuntary or compulsory conversions (other than casualties or thefts) of the other partnership's assets.

Tax Preference Items

Lines 20a through 20g

Enter items of income and deductions that are tax preference items. (See **Form 4625,** Computation of Minimum Tax—Individuals, and **Publication 909,** Minimum Tax and Alternative Minimum Tax, for details.)

Lines 20a and 20b. For property other than recovery property, enter on the appropriate line(s) the amount you get (never less than zero) by subtracting the depreciation that would have been allowable for the year if the partnership had used the straight-line method from the depreciation actually allowable. Figure straight-line depreciation on recovery property and 15-year real property using the recovery periods set out in section 57(a)(12). Figure this amount separately for each property.

Line 20c. Amortization.—For amortization of certain rehabilitation expenditures for certified historic structures, certified pollution-control facilities, on-the-job training facilities, and child-care facilities; enter the amount by which the amortization the partnership took for 1982 is more than the depreciation deduction otherwise allowable. (For certified historic structures, this can only be the straight-line method.) If the partnership uses the CLADR System, use the property's asset guideline period, including any variance in useful life, as its useful life in figuring the depreciation deduction otherwise allowable.

Note: *If the partnership is a fiscal year partnership whose tax year began in 1982 and ended in 1983, attach a schedule that shows the amount that is for amortization of child-care facilities and on-the-job training facilities.*

Line 20e. Do not include any depletion on oil and gas wells. The partners must compute their depletion deductions separately under section 613A.

Line 20f. On line 20f(1), enter the excess intangible drilling costs from oil, gas, and geothermal wells under section 57(a)(11). On line 20f(2), enter the net income (loss) from oil, gas, and geothermal properties of the partnership.

Line 20g. If the partnership is a fiscal year partnership whose tax year began in 1982 and ended in 1983, attach a schedule which shows the partners' share of excess mining exploration and development costs and excess circulation and research and experimental expenditures. See sections 57(a)(5) and (6) for more information.

See sections 57 and 58 for more information. If the partnership has any corporate partners see section 56.

Investment Interest

Lines 21a through 21d

Enter the interest on investment indebtedness and items of investment income and expenses, and gains and losses from the sale or exchange of investment property.

The interest expense reported on line 21a(1) may also be included on page 1, Form 1065, line 15c or Schedules K and K–1, line 13. However, the interest expense reported on lines 21a(2) and 21a(3) **must not** appear as a deduction on line 15c or elsewhere on the return. The income and expenses included on lines 21b, 21c, and 21d are reported elsewhere on Form 1065 or Schedules K and K–1. For example, interest income included on line 21b is reported on Form 1065, line 5 or Schedules K and K–1, line 3.

For more information, see **Form 4952,** Investment Interest Expense Deduction.

Line 21a(1). Enter investment interest expense from all sources on debts created before December 17, 1969, from a specific item of property for a specified term. Also include debts in existence after December 16, 1969, if a binding contract was in effect on that date.

Line 21a(2). Enter investment interest expense from all sources, from a specific item of property for a specified term, and from debts incurred before September 11, 1975, but after December 16, 1969, that is included on line 15b, page 1, Form 1065. Also include interest on obligations incurred after September 10, 1975, but subject to a written contract or commitment in effect on September 11, 1975, that is included on line 15b, page 1, Form 1065.

Line 21a(3). Enter investment interest expense from all sources from obligations incurred after September 10, 1975, that is included on line 15b, page 1, Form 1065. Do not include those obligations for which a binding contract was in effect on September 11, 1975.

Note: *The partnership must have an amount on line 15b of page 1, Form 1065, in order to have an amount shown on either line 21a(2) or 21a(3).*

Line 21b. Enter the partnership's net investment income from all sources.

Net investment income is the amount by which investment income exceeds investment expenses. (Net investment loss is the amount by which investment expenses exceed investment income.) Investment income and expenses generally do not include any amounts connected with a trade or business.

Investment income includes the following that are includible in gross income: interest, dividends, rents from net lease property, royalties, net short-term capital gains from investment property, and amounts recaptured as ordinary income from the sale or exchange of investment property subject to sections 1245, 1250, and 1254 provisions.

Investment expenses are those deductions directly connected with the production of investment income. Interest is not included in investment expenses for this purpose. Depreciation is limited to the amount figured using the straight-line method. Depletion is limited to an amount based on cost.

Line 21c.—Excess expenses from net lease property is the amount by which the expenses allowable under sections 162, 163 (without any reduction for the limitations of section 163(d)), 164(a)(1) or (2), and 212, attributable to property subject to a net lease, are more than the income produced by this property.

Net lease property.—Rental income is to be considered trade or business income unless it is from net lease property. Then it is treated as investment income. Rental property is net lease property if:

(a) The partnership (the lessor) is either guaranteed a specific return of income or guaranteed in whole or in part against loss of income; or

(b) The partnership's 1982 deductions for the property that are allowable only because of section 162 (except rents and reimbursed amounts) are less than 15% of the rental income produced by the property. For this 15% test, the partnership may elect to: (1) treat all leased portions of a parcel of real property as subject to a single lease, and (2) exempt real property that has been in use for more than 5 years.

In figuring your section 162 deduction for purposes of (b) above, do not include depreciation, taxes, interest, etc.

For more information and the special provisions that apply to "out of pocket" expenses and rental income from property subject to a net lease, see section 163(d), **Publication 550**, and **Form 4952.**

Foreign Taxes

Lines 22a through 22g

In addition to the instructions below, see the following for more information:

- **Form 1116,** Computation of Foreign Tax Credit—Individual, Fiduciary, or Nonresident Alien Individual, and the related instructions.
- **Form 1118,** Computation of Foreign Tax Credit—Corporations, and the related instructions.

Line 22a. Enter the type of income earned as follows:

- Nonbusiness (section 904(d)) interest income
- Dividends from a DISC or former DISC
- Foreign oil-related income
- All other income from sources outside the U.S. (including income from sources in U.S. possessions)

If, for the country or U.S. possession shown on line 22b, the partnership had **MORE THAN ONE** type of income, enter **"More than one type"** and attach a schedule for each type of income for lines 22b, 22c, 22d, 22e, 22f, and 22g.

Line 22b. Enter the name of the foreign country or U.S. possession. If, for the type of income shown on line 22a, the partnership had income from or paid taxes to **MORE THAN ONE** foreign country or U.S. possession, enter **"More than one foreign country or U.S. possession"** and attach a schedule for each country for lines 22a, 22c, 22d, 22e, 22f, and 22g.

Line 22c. Enter in U.S. dollars the total gross income from sources outside the U.S. Attach a schedule which shows each type of income as follows:

- Dividends
- Gross rents and royalties
- Foreign source capital gain net income
- Wages, salaries, and other employee compensation
- Business or profession
- Gross income from trusts and estates
- Other (including interest) (specify)

Line 22d. Enter in U.S. dollars the total applicable deductions and losses. Attach a schedule that shows each type of deduction or loss as follows:

- Expenses directly allocable to business or profession
- Depreciation and depletion directly allocable to rent and royalty income
- Repairs and other expenses directly allocable to rent and royalty income
- Other expenses directly allocable to specific income items (specify)
- Pro rata share of all other deductions not directly allocable to specific items of income
- Losses from foreign sources

Line 22e. Enter in U.S. dollars the total foreign taxes (described in section 901) that were paid or accrued by the partnership to foreign countries or U.S. possessions. Attach a schedule that shows the date(s) the taxes were paid or accrued, and the amount in both foreign currency and in U.S. dollars, as follows:

- Taxes withheld at source on dividends
- Taxes withheld at source on rents and royalties
- Other foreign taxes paid or accrued

Line 22f. Enter in U.S. dollars, the total reduction in taxes available for credit. Attach a schedule that shows separately the:

- Reduction for foreign mineral income
- Reduction for failure to furnish returns required under section 6038
- Reduction for taxes attributable to boycott operations (section 908)
- Reduction for foreign oil and gas extraction income (section 907(a))
- Reduction for any other items (specify)

Line 22g. Enter in U.S. dollars any items not covered in lines 22c, 22d, 22e, and 22f, such as taxable income (loss) of foreign branches from sources outside the U.S. for corporate partners (Form 1118, Schedule A, column 14).

Property Eligible for Investment Credit

Schedule K. Complete and attach **Form 3468,** Computation of Investment Credit, to Form 1065. See Form 3468 and the related instructions for information on whether property is eligible for the credit, the amount that is eligible for the credit, any adjustment of basis or percentage eligible for the credit that may be required for fiscal year 1982/1983 partnerships, and other information.

Note: *Do not include that part of the cost of property the partnership has elected to expense under section 179.*

Complete and attach to Form 1065, Schedule B of Form 3468, showing the partnership's total qualified investment in business energy property that is eligible for the credit. See Schedule B of Form 3468 and the related instructions for more information.

Line 23 (Schedule K–1 only). Enter each partner's share of the partnership's investment in qualifying property that is eligible for the credit.

Attach, to each Schedule K–1, a separate schedule that shows each partner's share of the partnership's investment in qualified energy property that is eligible for the credit, and where the partner should report it on his or her Schedule B of Form 3468.

Generally, for property placed in service after December 31, 1982, the partnership must reduce the basis of regular and energy investment credit property by half of any investment credit allowable for the property. The basis reduction is not required for regular investment credit property if the partnership elects to take a reduced credit. If the election is made, each partner must be notified. Tell the partners the lines of Form 3468 on which to report the amounts on which the election is made. See section 48(q) and the Instructions for Form 3468 for details.

Line 23e. Nonrecovery property. Attach to each Schedule K–1 a separate schedule which shows each partner's share of nonrecovery property eligible for the credit. This schedule should use the format of the worksheet in the instructions for Form 3468 for nonrecovery property.

Line 23h. If rehabilitation expenditures were incurred on more than one type of property, give each partner a schedule showing: (1) the amounts to be reported; and (2) the line numbers on Form 3468 on which the amounts should be reported.

Property Subject to Recapture of Investment Credit

Line 24 (Schedule K–1 only). Complete line 24 when regular or energy investment credit property is disposed of or ceases to qualify before the end of the "life-years category" or "recovery period" assigned. For more information, see **Form 4255,** Recapture of Investment Credit, and **Publication 572,** Investment Credit.

Note: *See the Instructions for question I, page 1, Form 1065, before completing Schedules L and M.*

Schedule L

Balance Sheets

The amounts shown should agree with the partnership's books and records. Attach a statement explaining any differences.

Partnerships reporting to the Interstate Commerce Commission or to any national, state, municipal, or other public officer may send copies of their balance sheets prescribed by the Commission or state or municipal authorities, as of the beginning and end of the tax year instead of completing Schedule L. However, statements filed under this procedure must contain sufficient information to enable the IRS to reconstruct a balance sheet similar to that contained on Form 1065 without contacting the partnership during processing.

Schedule M and Item E, Schedule K–1

Reconciliation of Partner's Capital Accounts

Show what caused the changes in the partners' capital accounts during the tax year.

The amounts shown should agree with the partnership's books and records and the balance sheet amounts. Attach a statement explaining any differences.

Also, the amounts on Schedule M should equal the total of the amounts reported in item E of all the partners' Schedules K–1.

Include in column d capital gains, tax-exempt interest income, and dividends and interest qualifying for exclusion. Include in column e capital losses, interest expense not allowed as a deduction to the partnership (from line 15b, page 1, Form 1065), charitable contributions, and other itemized deductions. Include in column f withdrawals from purchases for personal use. Any withdrawal by a nonresident alien partner is subject to income tax withholding at the source.

Codes for Principal Business Activity and Principal Product or Service

These industry titles and definitions, for use on Form 1065 partnership returns, are based, in general, on the Standard Industrial Classification System authorized by Regulatory and Statistical Analysis Division, Office of Information and Regulatory Affairs, Office of Management and Budget, to classify enterprises and establishments by type of activity in which engaged.

Using the list below, enter on page 1, under C, the code for the specific industry group for which the largest percentage of "total assets" is used. "Total assets" means the amount entered on Schedule L, line 13, column (D). On page 1, under A, state the principal business activity and under B, state the principal product or service which accounts for the largest percentage of total assets. For example, if the principal business activity is "Retail food store," the principal product or service may be "dairy products."

Agriculture, Forestry, and Fishing

Code

Farms:
0120 Field crop.
0160 Vegetable and melon farms.
0170 Fruit and nut tree farms.
0180 Horticultural specialty.
0211 Beef cattle feedlots.
0212 Beef cattle, except feedlots.
0215 Hogs, sheep, and goats.
0240 Dairy farms.
0250 Poultry and eggs.
0260 General livestock (except animal specialty).
0270 Animal specialty.

Agricultural services and forestry:
0740 Veterinary services.
0753 Livestock breeding.
0754 Animal services, except livestock breeding and veterinary.
0780 Landscape and horticultural services.
0790 Other agricultural services.
0800 Forestry.

Fishing, hunting, and trapping:
0930 Commercial fishing, hatcheries and preserves.
0970 Hunting, trapping, and game propagation.

Mining

1000 Metal mining.
1150 Coal mining.
1300 Oil and gas extraction.
1400 Nonmetallic minerals except fuel.

Construction

General building contractors and operative builders:
1510 General building contractors.
1531 Operative builders.

Heavy construction contractors:
1611 Highway and street construction.
1620 Heavy construction, except highway.

Special trade contractors:
1711 Plumbing, heating, and air conditioning.
1721 Painting, paperhanging, and decorating.
1731 Electrical work.
1740 Masonry, stonework, and plastering.
1750 Carpentering and flooring.
1761 Roofing and sheet metal work.
1771 Concrete work.
1781 Water well drilling.
1790 Miscellaneous special trade contractors.

Manufacturing

2000 Food and kindred products.
2200 Textile mill products.
2300 Apparel and other textile products.
2400 Lumber and wood products except furniture.
2500 Furniture and fixtures.
2700 Printing, publishing, and allied industries.
2800 Chemicals and allied products.
3100 Leather and leather products.
3200 Stone, clay, and glass products.
3300 Primary metal industries.
3400 Fabricated metal products.
3500 Machinery, except electrical.
3600 Electrical and electronic equipment.
3700 Transportation equipment.
3970 Other manufacturing industries.

Transportation, Communication, Electric, Gas, and Sanitary Services

Local and interurban passenger transit:
4121 Taxicabs.

Code
4189 Other passenger transportation.

Trucking and warehousing:
4210 Trucking, local and long distance.
4289 Public warehousing and trucking terminals.

Other transportation including transportation services:
4400 Water transportation.
4540 Transportation by air.
4722 Passenger transportation arrangement.
4723 Freight transportation arrangement.
4799 Other transportation services.
4800 Communication.
4900 Electric and gas services.
4950 Sanitary services.

Wholesale Trade

Durable:
5010 Motor vehicles and automotive equipment.
5030 Lumber and construction materials.
5060 Electrical goods.
5070 Hardware, plumbing, and heating equipment.
5083 Farm machinery, and equipment.
5089 Other machinery, equipment, and supplies.
5095 Other durable goods.

Nondurable:
5129 Drugs, chemicals, and allied products.
5130 Apparel, piece goods, and notions.
5140 Groceries and related products.
5150 Farm-product raw materials.
5180 Alcoholic beverages.
5195 Other nondurable goods.

Retail Trade

Building materials, hardware, garden supply, and mobile home dealers:
5211 Lumber and other building materials dealers.
5231 Paint, glass, and wallpaper stores.
5251 Hardware stores.
5261 Retail nurseries and garden stores.
5271 Mobile home dealers.

General merchandise:
5331 Variety stores.
5398 Other general merchandise stores.

Food stores:
5411 Grocery stores.
5420 Meat and fish markets freezer provisioners.
5431 Fruit stores and vegetable markets.
5441 Candy, nut, and confectionery stores.
5451 Dairy products stores.
5460 Retail bakeries.
5490 Other food stores.

Automotive dealers and service stations:
5511 New car dealers (franchised).
5521 Used car dealers.
5531 Auto and home supply stores.
5541 Gasoline service stations.
5551 Boat dealers.
5561 Recreational vehicle dealers.
5571 Motorcycle dealers.
5599 Aircraft, and other automotive dealers.

Apparel and accessory stores:
5611 Men's and boys' clothing and furnishings.
5621 Women's ready-to-wear stores.
5631 Women's accessory and specialty stores.
5641 Children's and infants' wear stores.
5651 Family clothing stores.
5661 Shoe stores.
5681 Furriers and fur shops.

Code
5699 Other apparel and accessory stores.

Furniture, home furnishings, and equipment stores:
5712 Furniture stores.
5713 Floor covering stores.
5714 Drapery, curtain, and upholstery stores.
5719 Home furnishings, except appliances.
5722 Household appliance stores.
5732 Radio and television stores.
5733 Music stores.

Eating and drinking places:
5812 Eating places.
5813 Drinking places.

Miscellaneous retail stores:
5912 Drug stores and proprietary stores.
5921 Liquor stores.
5931 Used merchandise stores.
5941 Sporting goods stores and bicycle shops.
5942 Book stores.
5943 Stationery stores.
5944 Jewelry stores.
5945 Hobby, toy, and game shops.
5946 Camera and photographic supply stores.
5947 Gift, novelty, and souvenir shops.
5948 Luggage and leather goods stores.
5949 Sewing, needlework, and piece goods stores.
5961 Mail order houses.
5962 Merchandising machine operators.
5963 Direct selling organizations.
5982 Fuel and ice dealers (except fuel oil and bottled gas dealers).
5983 Fuel oil dealers.
5984 Liquefied petroleum gas (bottled gas) dealers.
5992 Florists.
5993 Cigar stores and stands.
5994 News dealers and newsstands.
5996 Other miscellaneous retail stores.

Finance, Insurance, and Real Estate

6000 Banking.
6100 Credit agencies other than banks.

Security and commodity brokers, dealers, exchanges and services:
6212 Security underwriting syndicates.
6218 Security brokers and dealers, except underwriting syndicates.
6299 Commodity contracts brokers and dealers; security and commodity exchanges; and allied services.

Real estate:
6411 Insurance agents, brokers, and services.
6511 Real estate operators (except developers) and lessors of buildings.
6520 Lessors of real property other than buildings.
6531 Real estate agents, brokers, and managers.
6541 Title abstract offices.
6552 Subdividers and developers, except cemeteries.
6553 Cemetery subdividers and developers.
6611 Combined real estate, insurance, loans, law offices.

Holding and other investment companies:
6746 Investment clubs.
6747 Common trust funds.
6748 Other holding and investment companies.

Services

Hotels and other lodging places
7012 Hotels
7013 Motels, motor hotels, and tourist courts.

Code
7021 Rooming and boarding houses.
7032 Sporting and recreational camps.
7033 Trailer parks and camp sites.
7041 Organizational hotels and lodging houses on a membership basis.

Personal services:
7215 Coin-operated laundries and dry cleaning.
7219 Other laundry, cleaning, and garment services.
7221 Photographic studios, portrait studios.
7231 Beauty shops.
7241 Barber shops.
7251 Shoe repair and hat cleaning shops.
7261 Funeral services and crematories.
7299 Miscellaneous personal services.

Business services:
7310 Advertising.
7340 Services to buildings.
7370 Computer and data processing services.
7392 Management, consulting, and public relations services.
7394 Equipment rental and leasing.
7398 Other business services.

Automotive repair and services:
7510 Automotive rentals and leasing, without drivers.
7520 Automobile parking.
7531 Automobile top and body repair shops.
7538 General automobile repair shops.
7539 Other automotive repair shops.
7540 Automotive services, except repair.

Miscellaneous repair services:
7622 Radio and TV repair shops.
7628 Electrical repair shops, except radio and TV.
7641 Reupholstery and furniture repair.
7680 Other miscellaneous repair shops.

Motion picture:
7812 Motion picture and video tape production, distribution, and services.
7830 Motion picture theaters.

Amusement and recreation services:
7920 Producers, orchestras, and entertainers.
7932 Billiard and pool establishments.
7933 Bowling alleys.
7941 Professional sports clubs and promoters.
7948 Racing, including track operation.
7980 Other amusement and recreation services.

Medical and health services:
8011 Offices of physicians.
8021 Offices of dentists.
8031 Offices of osteopathic physicians.
8041 Offices of chiropractors.
8042 Offices of optometrists.
8048 Registered and practical nurses.
8050 Nursing and personal care facilities.
8060 Hospitals.
8071 Medical laboratories.
8072 Dental laboratories.
8098 Other medical and health services.

Other services:
8111 Legal services.
8200 Educational services.
8911 Engineering and architectural services.
8932 Certified public accountants.
8933 Other accounting, auditing, and bookkeeping services.
8999 Other services, not elsewhere classified.

SCHEDULE K-1
(Form 1065)
Department of the Treasury
Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.—1982

For calendar year 1982 or fiscal year
beginning ...., 1982, and ending ...., 19........
(Complete for and give to each partner. Instructions for partners attached to Copy C.)

OMB No. 1545-0099

Copy A
(File with Form 1065)

Partner's identifying number ▶

Partner's name, address, and ZIP code

Partnership's identifying number ▶

Partnership's name, address, and ZIP code

A Is partner a general partner (see page 2 of Instructions)? . . . . ☐ Yes ☐ No

B Partner's share of liabilities (see page 7 of Instructions):
Nonrecourse . . . . $..............................
Other . . . . $

C Enter partner's percentage of:	(i) Before decrease or termination	(ii) End of year
Profit sharing	..................%	..................%
Loss sharing	..................%	..................%
Ownership of capital	..................%	..................%

D What type of entity is this partner? ▶

E Reconciliation of partner's capital account:

a. Capital account at beginning of year	b. Capital contributed during year	c. Ordinary income (loss) from line 1	d. Income not included in column c, plus non-taxable income	e. Losses not included in column c, plus unallowable deductions	f. Withdrawals and distributions	g. Capital account at end of year

		a. Distributive share item	b. Amount	c. 1040 filers enter the amount in column b on:
Income (loss)	1	Ordinary income (loss)		Sch. E, Part II, col. (c) or (d)
	2	Guaranteed payments		Sch. E, Part II, column (d)
	3	Interest from All-Savers Certificates		Sch. B, Part I, line 4
	4	Dividends qualifying for exclusion		Sch. B, Part II, line 9
	5	Net short-term capital gain (loss)		Sch. D, line 3, col. f. or g.
	6	Net long-term capital gain (loss)		Sch. D, line 10, col. f. or g.
	7	Net gain (loss) from involuntary conversions due to casualty or theft . . .		Form 4684, line 20
	8	Other net gain (loss) under section 1231		Form 4797, line 1
	9	Other (attach schedule)		(Enter on applicable lines of your return)
Deductions	10	Charitable contributions: 50%.................., 30%.................., 20%..................		See Form 1040 instr.
	11	Expense deduction for recovery property (section 179 expense) . .		Sch. E, Part II, line 28
	12a	Payments for partner to an IRA		Form 1040, line 25
	b	Payments for partner to a Keogh Plan (Type of plan ▶..............) . .		Form 1040, line 26
	c	Payments for partner to Simplified Employee Pension (SEP)		Form 1040, line 26
	13	Other (attach schedule)		(Enter on applicable lines of your return)
Credits	14	Jobs credit		Form 5884
	15	Credit for alcohol used as fuel		Form 6478
	16	Credit for income tax withheld on interest and dividend income . .		See Form 1040 instr.
	17	Other (attach schedule)		(Enter on applicable lines of your return)
Other	18a	Gross farming or fishing income		▨
	b	Net earnings (loss) from self-employment		Sch. SE, Part I
	c	Other (attach schedule)	▨	(Enter on applicable lines of your return)
Specially Allocated Items	19a	Short-term capital gain (loss)		Sch. D, line 3, col. f. or g.
	b	Long-term capital gain (loss)		Sch. D, line 10, col. f. or g.
	c	Ordinary gain (loss) (attach schedule)		Form 4797, line 9
	d	Other (attach schedule)		Sch. E, Part II
Tax Preference Items	20a	Accelerated depreciation on real property:	▨	▨
		(1) Low-income rental housing (167(k))		Form 4625, line 1(a)(1)
		(2) Other nonrecovery real property or 15-year real property . . .		Form 4625, line 1(a)(2)
	b	Accelerated depreciation on leased personal property or leased recovery property other than 15-year real property		Form 4625, line 1(b)
	c	Amortization		Form 4625, line 1(c)
	d	Reserves for losses on bad debts of financial institutions		Form 4625, line 1(d)
	e	Depletion (other than oil and gas)		Form 4625, line 1(e)
	f	(1) Excess intangible drilling costs from oil, gas, or geothermal wells		See Form 4625 instr.
		(2) Net income from oil, gas, or geothermal wells	▨	▨
	g	Other (attach schedule)	▨	▨

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	a. Distributive share item	b. Amount	c. 1040 filers enter the amount in column b on:
Investment Interest	21a Investment interest expense:		
	(1) Indebtedness incurred before 12/17/69		Form 4952, line 1
	(2) Indebtedness incurred before 9/11/75, but after 12/16/69		Form 4952, line 15
	(3) Indebtedness incurred after 9/10/75		Form 4952, line 5
	b Net investment income (loss)		Form 4952, line 2 or 10a
	c Excess expenses from "net lease property"		Form 4952, lines 11 and 19
	d Excess of net long-term capital gain over net short-term capital loss from investment property		Form 4952, line 20
Foreign Taxes	22a Type of income		Form 1116, Checkboxes
	b Name of foreign country or U.S. possession		Form 1116, Part I
	c Total gross income from sources outside the U.S. (attach schedule)		Form 1116, Part I
	d Total applicable deductions and losses (attach schedule)		Form 1116, Part I
	e Total foreign taxes (check one): ☐ Paid ☐ Accrued		Form 1116, Part II
	f Reduction in taxes available for credit (attach schedule)		Form 1116, Part III
	g Other (attach schedule)		Form 1116 instr.
Property Eligible for Investment Credit	23 Unadjusted basis of new recovery property (a) 3-Year		Form 3468, line 1(a) or (e)
	(b) Other		Form 3468, line 1(b) or (f)
	Unadjusted basis of used recovery property (c) 3-Year		Form 3468, line 1(c) or (g)
	(d) Other		Form 3468, line 1(d) or (h)
	(e) Nonrecovery property (see page 11 of Instructions) (attach schedule)		Form 3468 instr., line 2
	(f) New commuter highway vehicle		Form 3468, line 3
	(g) Used commuter highway vehicle		Form 3468, line 4
	(h) Qualified rehabilitation expenditures (Enter on Form 3468, line .)		

	24 Properties:	A	B	C	
Property Subject to Recapture of Investment Credit	a Description of property (state whether recovery or nonrecovery property)				Form 4255, top
	b Original rate				Form 4255, line 1
	c Date placed in service				Form 4255, line 2
	d Cost or other basis				Form 4255, line 3
	e Class of recovery property or original estimated useful life				Form 4255, line 4
	f Applicable percentage				Form 4255, line 5
	g Date item ceased to be investment credit property				Form 4255, line 8
	h Period actually used				Form 4255, line 9

SCHEDULE K–1
(Form 1065)
Department of the Treasury
Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.—1982

For calendar year 1982 or fiscal year
beginning ...., 1982, and ending ...., 19........

OMB No. 1545-0099

Copy B
(For Form 1065 Records)

Partner's identifying number ▶

Partner's name, address, and ZIP code

Partnership's identifying number ▶

Partnership's name, address, and ZIP code

A Is partner a general partner (see page 2 of Instructions)? . . . . ☐ Yes ☐ No

B Partner's share of liabilities (see page 7 of Instructions):

Nonrecourse . . . . $........................

Other . . . . $

C Enter partner's percentage of:

	(i) Before decrease or termination	(ii) End of year
Profit sharing	..................%	..................%
Loss sharing	..................%	..................%
Ownership of capital	..................%	..................%

D What type of entity is this partner? ▶

E Reconciliation of partner's capital account:

a. Capital account at beginning of year	b. Capital contributed during year	c. Ordinary income (loss) from line 1	d. Income not included in column c, plus nontaxable income	e. Losses not included in column c, plus unallowable deductions	f. Withdrawals and distributions	g. Capital account at end of year

	a. Distributive share item	b. Amount	c. 1040 filers enter the amount in column b on:
Income (loss)	1 Ordinary income (loss)		Sch. E, Part II, col. (c) or (d)
	2 Guaranteed payments		Sch. E, Part II, column (d)
	3 Interest from All-Savers Certificates		Sch. B, Part I, line 4
	4 Dividends qualifying for exclusion		Sch. B, Part II, line 9
	5 Net short-term capital gain (loss)		Sch. D, line 3, col. f. or g.
	6 Net long-term capital gain (loss)		Sch. D, line 10, col. f. or g.
	7 Net gain (loss) from involuntary conversions due to casualty or theft		Form 4684, line 20
	8 Other net gain (loss) under section 1231		Form 4797, line 1
	9 Other (attach schedule)		(Enter on applicable lines of your return)
Deductions	10 Charitable contributions: 50%................., 30%................., 20%.................		See Form 1040 instr.
	11 Expense deduction for recovery property (section 179 expense) . .		Sch. E, Part II, line 28
	12a Payments for partner to an IRA		Form 1040, line 25
	b Payments for partner to a Keogh Plan (Type of plan ▶..............) .		Form 1040, line 26
	c Payments for partner to Simplified Employee Pension (SEP)		Form 1040, line 26
	13 Other (attach schedule)		(Enter on applicable lines of your return)
Credits	14 Jobs credit		Form 5884
	15 Credit for alcohol used as fuel		Form 6478
	16 Credit for income tax withheld on interest and dividend income . .		See Form 1040 instr.
	17 Other (attach schedule)		(Enter on applicable lines of your return)
Other	18a Gross farming or fishing income		▨
	b Net earnings (loss) from self-employment		Sch. SE, Part I
	c Other (attach schedule)	▨	(Enter on applicable lines of your return)
Specially Allocated Items	19a Short-term capital gain (loss)		Sch. D, line 3, col. f. or g.
	b Long-term capital gain (loss)		Sch. D, line 10, col. f. or g.
	c Ordinary gain (loss) (attach schedule)		Form 4797, line 9
	d Other (attach schedule)		Sch. E, Part II
Tax Preference Items	20a Accelerated depreciation on real property:	▨	▨
	(1) Low-income rental housing (167(k))		Form 4625, line 1(a)(1)
	(2) Other nonrecovery real property or 15-year real property . . .		Form 4625, line 1(a)(2)
	b Accelerated depreciation on leased personal property or leased recovery property other than 15-year real property		Form 4625, line 1(b)
	c Amortization		Form 4625, line 1(c)
	d Reserves for losses on bad debts of financial institutions		Form 4625, line 1(d)
	e Depletion (other than oil and gas)		Form 4625, line 1(e)
	f (1) Excess intangible drilling costs from oil, gas, or geothermal wells .		See Form 4625 instr.
	(2) Net income from oil, gas, or geothermal wells		▨
	g Other (attach schedule)	▨	▨

For Paperwork Reduction Act Notice, see page 1 of Form 1065 Instructions.

	a. Distributive share item	b. Amount	c. 1040 filers enter the amount in column b on:
Investment Interest	**21a** Investment interest expense:	▨	▨
	(1) Indebtedness incurred before 12/17/69		Form 4952, line 1
	(2) Indebtedness incurred before 9/11/75, but after 12/16/69 . .		Form 4952, line 15
	(3) Indebtedness incurred after 9/10/75		Form 4952, line 5
	b Net investment income (loss)		Form 4952, line 2 or 10a
	c Excess expenses from "net lease property"		Form 4952, lines 11 and 19
	d Excess of net long-term capital gain over net short-term capital loss from investment property		Form 4952, line 20
Foreign Taxes	**22a** Type of income	▨	Form 1116, Checkboxes
	b Name of foreign country or U.S. possession	▨	Form 1116, Part I
	c Total gross income from sources outside the U.S. (attach schedule) .		Form 1116, Part I
	d Total applicable deductions and losses (attach schedule)		Form 1116, Part I
	e Total foreign taxes (check one): ☐ Paid ☐ Accrued		Form 1116, Part II
	f Reduction in taxes available for credit (attach schedule)		Form 1116, Part III
	g Other (attach schedule)		Form 1116 instr.
Property Eligible for Investment Credit	**23** Unadjusted basis of new recovery property (a) 3-Year		Form 3468, line 1(a) or (e)
	(b) Other		Form 3468, line 1(b) or (f)
	Unadjusted basis of used recovery property (c) 3-Year		Form 3468, line 1(c) or (g)
	(d) Other		Form 3468, line 1(d) or (h)
	(e) Nonrecovery property (see page 11 of Instructions) (attach schedule)	▨	Form 3468 instr., line 2
	(f) New commuter highway vehicle		Form 3468, line 3
	(g) Used commuter highway vehicle		Form 3468, line 4
	(h) Qualified rehabilitation expenditures (Enter on Form 3468, line .)		▨

		A	B	C	
Property Subject to Recapture of Investment Credit	**24** Properties:				▨
	a Description of property (state whether recovery or nonrecovery property) .				Form 4255, top
	b Original rate . . .				Form 4255, line 1
	c Date placed in service				Form 4255, line 2
	d Cost or other basis .				Form 4255, line 3
	e Class of recovery property or original estimated useful life				▨ Form 4255, line 4
	f Applicable percentage .				Form 4255, line 5
	g Date item ceased to be investment credit property .				▨ Form 4255, line 8
	h Period actually used . .				Form 4255, line 9

SCHEDULE K-1
(Form 1065)
Department of the Treasury
Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.—1982

For calendar year 1982 or fiscal year
beginning ...., 1982, and ending ...., 19.......

OMB No. 1545-0099

Copy C
(For partner)
(Page 1 of 4 pages)

Partner's identifying number ▶	**Partnership's identifying number ▶**
Partner's name, address, and ZIP code	**Partnership's name, address, and ZIP code**

A Is partner a general partner (see attached instructions)? . . . . ☐ Yes ☐ No

B Partner's share of liabilities:
Nonrecourse . . . . $..............................
Other . . . . $

C Enter partner's percentage of:

	(i) Before decrease or termination	(ii) End of year
Profit sharing	..............%	..............%
Loss sharing	..............%	..............%
Ownership of capital	..............%	..............%

D What type of entity is this partner? ▶

E Reconciliation of partner's capital account:

a. Capital account at beginning of year	b. Capital contributed during year	c. Ordinary income (loss) from line 1	d. Income not included in column c, plus nontaxable income	e. Losses not included in column c, plus unallowable deductions	f. Withdrawals and distributions	g. Capital account at end of year

	a. Distributive share item	b. Amount	c. 1040 filers enter the amount in column b on:
Income (loss)	1 Ordinary income (loss) (see instructions for your tax return for loss limitations)		Sch. E, Part II, col. (c) or (d)
	2 Guaranteed payments		Sch. E, Part II, column (d)
	3 Interest from All-Savers Certificates		Sch. B, Part I, line 4
	4 Dividends qualifying for exclusion		Sch. B, Part II, line 9
	5 Net short-term capital gain (loss)		Sch. D, line 3, col. f. or g.
	6 Net long-term capital gain (loss)		Sch. D, line 10, col. f. or g.
	7 Net gain (loss) from involuntary conversions due to casualty or theft		Form 4684, line 20
	8 Other net gain (loss) under section 1231		Form 4797, line 1
	9 Other (see attached schedule)		(Enter on applicable lines of your return)
Deductions	10 Charitable contributions: 50%................, 30%................, 20%................		See Form 1040 instr.
	11 Expense deduction for recovery property (section 179 expense)		Sch. E, Part II, line 28
	12a Payments for partner to an IRA		Form 1040, line 25
	b Payments for partner to a Keogh Plan (Type of plan ▶..............)		Form 1040, line 26
	c Payments for partner to Simplified Employee Pension (SEP)		Form 1040, line 26
	13 Other (see attached schedule)		(Enter on applicable lines of your return)
Credits	14 Jobs credit		Form 5884
	15 Credit for alcohol used as fuel		Form 6478
	16 Credit for income tax withheld on interest and dividend income		See Form 1040 instr.
	17 Other (see attached schedule)		(Enter on applicable lines of your return)
Other	18a Gross farming or fishing income		See attached instructions
	b Net earnings (loss) from self-employment		Sch. SE, Part I
	c Other (see attached schedule)		(Enter on applicable lines of your return)
Specially Allocated Items	19a Short-term capital gain (loss)		Sch. D, line 3, col. f. or g.
	b Long-term capital gain (loss)		Sch. D, line 10, col. f. or g.
	c Ordinary gain (loss) (see attached schedule)		Form 4797, line 9
	d Other (see attached schedule)		Sch. E, Part II
Tax Preference Items	20a Accelerated depreciation on real property:		
	(1) Low-income rental housing (167(k))		Form 4625, line 1(a)(1)
	(2) Other nonrecovery real property or 15-year real property		Form 4625, line 1(a)(2)
	b Accelerated depreciation on leased personal property or leased recovery property other than 15-year real property		Form 4625, line 1(b)
	c Amortization		Form 4625, line 1(c)
	d Reserves for losses on bad debts of financial institutions		Form 4625, line 1(d)
	e Depletion (other than oil and gas)		Form 4625, line 1(e)
	f (1) Excess intangible drilling costs from oil, gas, or geothermal wells		See Form 4625 instr.
	(2) Net income from oil, gas, or geothermal wells		
	g Other (see attached schedule)		See attached instructions

	a. Distributive share item	b. Amount	c. 1040 filers enter the amount in column b on:
Investment Interest	21a Investment interest expense:	▨	▨
	(1) Indebtedness incurred before 12/17/69		Form 4952, line 1
	(2) Indebtedness incurred before 9/11/75, but after 12/16/69		Form 4952, line 15
	(3) Indebtedness incurred after 9/10/75		Form 4952, line 5
	b Net investment income (loss)		Form 4952, line 2 or 10a
	c Excess expenses from "net lease property"		Form 4952, lines 11 and 19
	d Excess of net long-term capital gain over net short-term capital loss from investment property		Form 4952, line 20
Foreign Taxes	22a Type of income	▨	Form 1116, Checkboxes
	b Name of foreign country or U.S. possession	▨	Form 1116, Part I
	c Total gross income from sources outside the U.S. (see attached schedule)		Form 1116, Part I
	d Total applicable deductions and losses (see attached schedule)		Form 1116, Part I
	e Total foreign taxes (check one): ☐ Paid ☐ Accrued		Form 1116, Part II
	f Reduction in taxes available for credit (see attached schedule)		Form 1116, Part III
	g Other (see attached schedule)		Form 1116 Instr.
Property Eligible for Investment Credit	23 Unadjusted basis of new recovery property (a) 3-Year		Form 3468, line 1(a) or (e)
	Unadjusted basis of new recovery property (b) Other		Form 3468, line 1(b) or (f)
	Unadjusted basis of used recovery property (c) 3-Year		Form 3468, line 1(c) or (g)
	Unadjusted basis of used recovery property (d) Other		Form 3468, line 1(d) or (h)
	(e) Nonrecovery property (see attached schedule)	▨	Form 3468 instr., line 2
	(f) New commuter highway vehicle		Form 3468, line 3
	(g) Used commuter highway vehicle		Form 3468, line 4
	(h) Qualified rehabilitation expenditures (Enter on Form 3468, line .)		▨

	24 Properties:	A	B	C	
Property Subject to Recapture of Investment Credit	a Description of property (state whether recovery or nonrecovery property)				Form 4255, top
	b Original rate				Form 4255, line 1
	c Date placed in service				Form 4255, line 2
	d Cost or other basis				Form 4255, line 3
	e Class of recovery property or original estimated useful life				Form 4255, line 4
	f Applicable percentage				Form 4255, line 5
	g Date item ceased to be investment credit property				Form 4255, line 8
	h Period actually used				Form 4255, line 9

Schedule K–1, Copy C Instructions for the Partner

(References are to the Internal Revenue Code.)

Purpose

The partnership uses Copy C of Schedule K–1 to report to you your share of the partnership's income, credits, and deductions. Please keep it for your records. Do not file it with your income tax return. Copy A has been filed with the IRS.

Although the partnership is not subject to income tax, you, the partner, are liable for income tax and self-employment tax on your share of the partnership income, whether or not distributed, and you must include your share on your tax return. Your share of any partnership income, gain, loss, deduction, or credit must also be reported on your return. Please read the **Limitation on Losses** under line 1 to figure how much of your share of any partnership loss is deductible.

General Information

Caution: *If your partnership's tax year began after September 3, 1982, you must treat partnership items on your return consistent with the way the partnership treated the items on its filed return. This rule does not apply if your partnership is within the "small partnership" exception and does not elect to have the new procedures apply. See sections 6222 and 6231(a)(1) for more information.*

If your treatment on your original or amended return is (or may be) inconsistent with the partnership's treatment, or if the partnership has not filed a return, you must file a statement with your original or amended return identifying and explaining the inconsistency (or noting that a partnership return has not been filed).

If you are required to file a statement but fail to do so, you may be subject to a penalty, and any deficiency that results from making the treatment of the inconsistent partnership item consistent with the partnership's treatment, may be assessed immediately.

The Service will issue details on what this statement must show.

In addition, if the items on this Schedule K–1 are from a foreign partnership, you may be required to report certain changes in your partnership interest. See section 6046A for more information.

Regulated Futures Contracts and Straddle Positions.—For information on how to report gains and losses from regulated futures contracts and straddles, see **Form 6781**, Gains and Losses From Commodity Futures Contracts and Straddle Positions.

Windfall Profit Tax.—If you are a producer of domestic crude oil, your partnership will inform you of your income tax deduction for the windfall profit tax.

Errors.—If you believe the partnership has made an error on your Schedule K–1, notify the partnership and ask for a corrected Schedule K–1. Do not change any items on your copy. See **Caution** above.

International Boycotts.—Every partnership that had operations in or related to a boycotting country, company, or national, must file Form 5713. If that partnership did not cooperate with an international boycott and notifies you of that fact, you do not have to file Form 5713, unless you had other boycotting operations.

If the partnership cooperated with an international boycott, it must give you a copy of the Form 5713 that it filed. You also must file Form 5713 to report the activities of the partnership and any other boycott operations of your own. You may lose certain tax benefits if the partnership participated in or cooperated with an international boycott. Please see Form 5713 and the instructions for details.

Definitions.—

a. General Partner. A general partner is a member of the organization who is personally liable for the obligations of the partnership.

b. Limited Partner. A limited partner is one whose potential personal liability for partnership debts is limited to the amount of money or other property that the partner contributed or is required to contribute to the partnership.

c. Limited Partnership. A limited partnership is a partnership composed of at least one general partner and one or more limited partners.

d. Nonrecourse Loans. Nonrecourse loans are those liabilities of the partnership for which none of the partners have any personal liability.

Elections.—Generally, the partnership decides how to figure taxable income from its operations. For example, it chooses the accounting method and depreciation methods it will use.

However, certain elections are made by you separately on your income tax return and not by the partnership. These elections are made under section 901 (foreign tax credit), section 617 (deduction and recapture of certain mining exploration expenditures, paid or incurred), section 57(c) (definition of net lease), section 163(d)(6) (limitation on interest on investment indebtedness), and sections 108(b)(5) or 108(d)(4) (income from discharge of indebtedness).

Publications.—For more information on the treatment of partnership income, deductions, and credits, see **Publication 541,** Tax Information on Partnerships, **Publication 535,** Business Expenses, **Publication 536,** Net Operating Losses and the At-Risk Limits, and **Publication 550,** Investment Income and Expenses.

Specific Instructions

Name, Address, and Identifying Number. Your name, address, and identifying number, as well as the partnership's name, address, and identifying number, should be entered.

Question B. Question (B) should show your share of the partnership's nonrecourse liabilities and other liabilities as of the end of the year. If you terminated your interest in the partnership during the year, question (B) should show the share that existed immediately before the total disposition. (A partner's "other liability" is any partnership liability for which a partner is personally liable.)

Use the total of the two amounts for computing the adjusted basis of your partnership interest. Use the amount shown in "Other" to compute your amount at risk if the partnership was engaged in any activity other than real estate (other than mineral property). Do not include any amounts that are not at risk that may be included in "Other."

If your partnership is engaged in two or more different types of at risk activities, or a combination of at risk activities and any other activity, the partnership should give you a statement showing your share of nonrecourse liabilities and other liabilities for each activity.

See **Limitation on Losses** under line 1 for more information.

Lines 1–24

If you are an individual partner, take the amounts shown in column b and enter them on the lines on your tax return as indicated in column c. If you are not an individual partner, report the amounts in column b as instructed on your tax return.

Note: *The line numbers are references to forms in use for calendar year 1982. If you are a calendar year partner in a fiscal year 1982/1983 partnership, enter these amounts on the corresponding lines of the tax form in use for 1983.*

Line 1. The amount shown should reflect your share of ordinary income (loss) from all partnership business operations including at risk activities without reference to the adjusted basis of your partnership interest or your amount at risk.

Limitation on Losses.—Generally, you may not claim your share of a partnership loss (including capital loss) that is greater than the adjusted basis of your partnership interest at the end of the partnership's tax year.

However, special at risk rules, under section 465, apply if there is a loss from any activity (except the holding of real property, other than mineral property) carried on as a trade or business or for the production of income by the partnership. Generally, your deductible loss from each activity for the tax year is limited to the amount you are at risk for the activity at the end of the partnership's tax year, or the amount of the loss, whichever is less.

Generally, you are at risk for an activity for the cash and adjusted basis of other property you contributed to the activity and any amounts borrowed for use in the activity for which you are personally liable.

Your at risk amount does not include the proceeds from your share of any nonrecourse loan used to finance the activity or the acquisition of property used in the activity. However, you are at risk to the extent of the net fair market value of your own property (not used in the activity) which secures borrowed amounts for which you are not liable.

You are not at risk for cash, property, or borrowed amounts protected against loss by a guarantee, stop loss agreement, or other similar arrangement.

If your partnership is engaged in an activity described below in a. through e. (but not f.), you are not at risk with respect to that activity for amounts borrowed from a person who is related to you under section 267(b), or who has an interest (other than as a creditor) in the activity.

If you have amounts not at risk for an activity and share in the loss for that activity, you must figure the allowable loss to report on your tax return.

If the amount you have at risk is less than zero, you may be subject to the recapture provisions.

Any loss from a section 465 activity not allowed for this tax year will be treated as a deduction allocable to the activity in the next tax year.

Your interest in the partnership is treated as a single activity if the partnership is engaged in only one activity. If the partnership is engaged in two or more activities, you may be able to treat them as one activity if the activities are one of the following:

a. Films or video tapes

b. Section 1245 property which is leased or held for leasing

c. Farms

d. Oil and gas properties as defined under section 614

e. Geothermal properties as defined under section 614

f. Any other activities except real estate (other than mineral property) which constitute a trade or business carried on by the partnership if 65% or more of the losses for the tax year are allocable to partners who actively participate in the management of the trade or business. (You should get a separate statement of income, expenses, deductions, and credits for each activity from the partnership.)

If the partnership sells or otherwise disposes of (1) an asset used in the activity to which the at risk rules apply or (2) any part of its interest in such an activity (or if you sell or dispose of your interest), you should combine the gain or loss on the sale or disposition with the profit or loss from the activity to determine the net profit or loss from the activity. If this is a net loss, it may be limited because of the at risk rules.

Special transitional rules for movies, video tapes, and leasing activities can be found in section 204(c)(2) and (3) of the Tax Reform Act of 1976 and **Publication 536.**

If your partnership is engaged in an activity which is subject to the limitations of section 465(c)(1), you need to determine the amount you are at risk. To help you do this, the partnership should give you your share of the total pre-1976 loss(es) from a section 465(c)(1) activity (i.e., film or video tapes, section 1245 property leasing, farm, or oil and gas property) for which there existed a corresponding amount of nonrecourse liability at the end of the year in which this loss(es) occurred.

Line 4. For 1982, if you are an individual partner, you can subtract up to $100 ($200 on a joint return) of qualifying dividend income.

Line 7. The partnership will give you a schedule that separately shows your share of the amount to enter on Form 4684, line 20, column (B)(i) and column (B)(ii). On line 20, column (A), enter the words "From (name of partnership)."

Line 9. Amounts on this line are other items of income, gain, or loss not included on lines 1–8 such as: (1) interest from an All-Savers Certificate (ASC) (if in a prior year you excluded interest income from a partnership ASC and the partnership redeemed the ASC in the next year before its maturity, you must include in income any interest you excluded in a prior year from this ASC); (2) partnership gains from disposition of farm recapture property (see Form 4797) and other items to which sections 1251 and 1252 apply; (3) recoveries of bad debts, prior taxes, and delinquency amounts (section 111); (4) gains and losses from wagers (section 165(d)); (5) and any income, gain, or loss to the partnership under section 751(b). The partnership should give you a description and the amount of your share for each of these items.

Line 11. The **TOTAL** amount of section 179 expense you claim from **ALL** sources cannot be more than $5,000 ($2,500 if you are married filing a separate return). See **Form 4562,** Depreciation and Amortization for more information.

Line 12b. If there is a defined benefit plan, the partnership should give you a statement showing the amount of benefit accrued for the tax year.

Line 13. Amounts on this line are other deductions not included on lines 10–12c such as: other itemized deductions (1040 filers enter on Schedule A); any penalty on early withdrawal of savings; soil and water conservation expenditures (section 175); deduction and recapture of certain mining exploration expenditures paid or incurred (section 617); expenditures for the removal of architectural and transportation barriers to the elderly and handicapped which the partnership has elected to treat as a current expense (section 190); and intangible drilling costs (see **Publication 535** for more information). The partnership should give you a description and the amount of your share for each of these items.

Line 14. The amount shown is your share of the jobs credit. See Form 5884 for definitions, special rules, and limitations.

Line 15. Complete Form 6478 and attach it to your return.

Line 17. Amounts on this line are other credits (other than investment credit which is reported on line 23) not included in lines 14, 15, and 16, such as: nonconventional source fuel credit; unused credits from cooperatives; and the credit for increasing research activities (enter this credit on **Form 6765,** Credit for Increasing Research Activities). The partnership should give you a description and the amount of your share for each of these items.

Line 18a. If you are an individual partner, enter the amount from this line on Schedule E, Part IV, line 38. You may also use this amount to figure self-employment income under the optional method (Schedule SE (Form 1040), Part II).

Line 18b. Net earnings from self-employment must be adjusted by the section 179 expense claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties.

If the amount on this line is a loss, enter only the deductible amount on Schedule SE. See **Limitation on Losses** under line 1.

Line 18c. The partnership should give you a description and amount of your share for each of the following:

a. Taxes paid on undistributed capital gains by a regulated investment company. (Form 1040 filers enter on line 66, and add the words "from 1065.")

b. Number of gallons of the fuels used during the tax year for each type of use identified on Form 4136 and in the related instructions.

c. Gross non-farm income which is used by an individual partner to figure self-employment income under the optional method (Schedule SE (Form 1040), Part II).

d. Your share of gross income from the property, share of production for the tax year, etc., needed to figure your depletion deduction for oil and gas wells. The partnership should also allocate to you a proportionate share of the adjusted basis of each partnership oil or gas property. The allocation of the basis of each property is made as specified in section 613A(c)(7)(D). See **Publication 535**, for how to figure your depletion deduction.

e. If you are a corporation, (1) any income allocable to you that is "timber preference income" under section 57(e), and (2) your share of construction period interest and taxes, if any. You must add your share of the amortization deduction for these items to your share of partnership income (loss) shown on Schedule K–1, line 1.

Line 19. Any items of income, gain, loss, deduction, or credit, subject to a special allocation under the partnership agreement that are different from the allocation of partnership income or loss, should be entered here and not on any other line on this form.

Income or gain will be shown as a positive number; losses will be shown with the number in parentheses; a credit will be labeled as "CR."

You must include specially allocated items in determining the limitations on losses discussed under line 1.

Lines 20c and 20g. If (1) your partnership is a fiscal year partnership whose tax year began in 1982 and ended in 1983; and (2) your tax year in which you are required to include the items shown on this Schedule K–1 began after 12/31/82:

a. Do not include on your return any amount on line 20c that is for amortization of on-the-job training facilities or amortization of child care facilities.

b. Enter the information on the schedule attached for line 20g on your tax return as instructed.

Line 21. If the partnership paid or accrued interest on debts it incurred to buy or hold investment property, the amount of interest you can deduct may be limited. The partnership should have entered the interest on investment indebtedness and items of investment income and expenses, and gains and losses from the sale or exchange of investment property.

For more information and the special provisions that apply to "out of pocket" expenses and rental income from property subject to a net lease, see section 163(d) and **Publication 550,** Investment Income and Expenses. (Individuals, estates, and trusts, also see **Form 4952.**)

Note: Generally, if your **TOTAL** investment interest including investment interest **FROM ALL OTHER SOURCES** (including carryovers, etc.) is less than $10,000 ($5,000 if married filing separately), you do not need to get Form 4952. Instead, you may enter the amounts of investment interest directly on Schedule A (Form 1040) and/or Schedule E (Form 1040), whichever is applicable.

Lines 22a–22g. Use the information on lines 22a through 22g to figure your foreign tax credit. For more information, see:

- **Form 1116,** Computation of Foreign Tax Credit—Individual, Fiduciary, or Nonresident Alien, and the related instructions, or
- **Form 1118,** Computation of Foreign Tax Credit—Corporations, and the related instructions.

Line 23. Your share of the partnership's investment in qualifying property that is eligible for the investment credit should be entered. You are allowed a tax credit based on your pro rata share of this investment by filing **Form 3468,** Computation of Investment Credit. (For other information, see Form 3468 and related instructions.)

In addition to the qualifying property reported on line 23, the partnership will give you a separate schedule that shows your share of the partnership's investment in qualified energy property that is eligible for the credit, if any, and where to report it.

Line 24. When investment credit property is disposed of or ceases to qualify before the "life-years category" or "recovery period" assigned, you will be notified. You may have to recapture (pay back) the investment credit taken in prior years. Use the information on line 24 to figure your recapture tax on Form 4255.

You may also need Form 4255, if you disposed of more than one-third of your interest in a partnership. See **Publication 572,** Investment Credit, for more information.

For Official Use Only

Type or print NOMINEE'S name, address, ZIP code, and Federal identifying number.

OMB No. 1545-0112

Statement for Recipients of **1982**

Interest Income

Copy A
For Internal Revenue Service Center

72 ☐

Recipient's identifying number	1 Earnings from savings and loan associations, credit unions, etc.	2 Other interest on bank deposits, etc. (Do not include amounts from box 1)	3 Amount of forfeiture
Type or print RECIPIENT'S name, address, and ZIP code below (Name must align with arrow).		4 Foreign tax paid (If eligible for foreign tax credit)	5 Foreign country or U.S. possession

Name ▶

For Paperwork Reduction Act Notice and instructions on completing this form, see Instructions for Form 1096.

Form **1087–INT**

Department of the Treasury—Internal Revenue Service

For Official Use Only

Type or print PAYER'S name, address, ZIP code, and Federal identifying number.

OMB No. 1545-0112

Statement for Recipients of **1982**

Interest Income

Copy A
For Internal Revenue Service Center

92 ☐

Recipient's identifying number	1 Earnings from savings and loan associations, credit unions, etc.	2 Other interest on bank deposits, etc. (Do not include amounts from box 1)	3 Amount of forfeiture
Type or print RECIPIENT'S name, address, and ZIP code below (Name must align with arrow).		4 Foreign tax paid (If eligible for foreign tax credit)	5 Foreign country or U.S. possession

Name ▶

For Paperwork Reduction Act Notice and instructions on completing this form, see Instructions for Form 1096.

Form **1099–INT**

Department of the Treasury—Internal Revenue Service

OMB. No. 1545-0116

Statement for Recipients of **1982**

Nonemployee Compensation

Copy A
For Internal Revenue Service Center

For Official Use Only

Type or print PAYER'S name, address, ZIP code, and Federal identifying number.

83 ☐	Recipient's identifying number	1 Fees, commissions, and other compensation

Name ▶ Type or print RECIPIENT'S name, address, and ZIP code below (Name must align with arrow).

For Paperwork Reduction Act Notice and instructions on completing this form, see Instructions for Form 1096.

Form **1099–NEC**

Department of the Treasury—Internal Revenue Service

Instructions to Recipient

The amounts shown on this form represent payments to you (or on your behalf) for services rendered in the course of the payer's trade or business. Because you are not treated as an employee by the payer, this form is the only required notice for tax purposes you will receive on such payments.

Generally, amounts reported on this form are considered income from self-employment. Report these amounts as part of your trade or business income on Schedule C or F (Form 1040).

If you are not self-employed, amounts paid to you (or on your behalf) for services rendered are generally reported on Form 1040 on the line for Wages, Salaries, Tips, etc.

For Official Use Only

OMB No. 1545-0108

Form **1096**
Department of the Treasury
Internal Revenue Service

Annual Summary and Transmittal of U.S. Information Returns

▶ For Paperwork Reduction Act Notice, see Instructions for Form 1096.

1982

69 ☐

PAYER'S Federal identifying number	Enter number of documents	Place an "X" in the proper box to identify type of document being transmitted																				
		1099 ASC 84	1099 BCD 85	1099 DIV 91	1099 F 90	1099 INT 92	1099 L 93	1099 MED 94	1099 MISC 95	1099 NEC 83	1099 OID 96	1099 PATR 97	1099 R 98	1099 UC 81	1087 ASC 73	1087 DIV 71	1087 INT 72	1087 MED 75	1087 MISC 77	1087 OID 78

Type or print PAYER'S name, address, and ZIP code below (Name must align with arrow.)

Name ▶

All documents are: (Place an "X" in the proper box. See instructions.)		All documents are: (Place an "X" in the proper box. See instructions.)	
Original	Corrected	With taxpayer identifying no.	Without taxpayer identifying no.

(Magnetic tape filers: See the applicable Revenue Procedures regarding transmittal of returns on magnetic tape.)

Under penalties of perjury, I declare that I have examined this return, including accompanying documents and to the best of my knowledge and belief, it is true, correct, and complete. In the case of documents without recipients' identifying numbers I have complied with the requirements of the law by requesting such numbers from the recipients, but did not receive them.

Signature .... Title .... Date ....

1982 Department of the Treasury
Internal Revenue Service

Instructions for Form 1096

(Annual Summary and Transmittal of U.S. Information Returns) and Forms 1099–ASC, 1099–BCD, 1099–DIV, 1099–F, 1099–INT, 1099–L, 1099–MED, 1099–MISC, 1099–NEC, 1099–OID, 1099–PATR, 1099R, 1087–ASC, 1087–DIV, 1087–INT, 1087–MED, 1087–MISC, and 1087–OID

Unless otherwise noted, references are to the Internal Revenue Code.

Paperwork Reduction Act Notice.—We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Highlights

Magnetic Media Reporting.—IRS encourages filing information returns on magnetic tape, diskette, or disk pack. Revenue Procedures for Magnetic Media Reporting are available at Internal Revenue Service Centers and district offices. Different types of payments—interest, dividends, and rents—may be reported on the same tape or disk submission. Payers have also found advantages in economy, efficiency, and greater flexibility for integrating the reporting required under the Internal Revenue Code with their reporting to other Government agencies.

Payers who file information returns on magnetic tape, diskette, and disk pack should be sure that duplicate returns are not filed on paper returns.

Separate Transmittals.—Payers filing returns on paper forms must use a separate transmittal, Form 1096, for each different type of form. In addition, for each type of document filed, you must use a separate Form 1096 to transmit those documents with taxpayer identifying numbers separately from those without taxpayer identifying numbers.

Statements for Recipients.—Payers have considerable flexibility in giving recipients payment information. You do not have to use copies of the forms filed with IRS. (See instruction G.)

Forfeiture of Interest on Time Deposits.—For more detailed instructions for determining the amount of forfeiture deductible by the depositor (Forms 1099–ASC, 1087–ASC, 1099–INT, 1087–INT, Box 3) see Revenue Rulings 75–20, 1975–1 C.B. 29, and 75–21, 1975–1 C.B. 367, available at IRS offices.

Exempt-Interest Dividends.—An exempt-interest dividend from a regulated investment company maintains its tax-exempt status and need not be reported on Form 1099–DIV or 1099–INT.

General Instructions

A. Who Must File Forms 1099.—Any person engaged in a trade or business (including Federal, State, and local governmental agencies, and activities deemed nonprofit) who makes certain payments of $600 or more in the course of the trade or business must file an information return. Payments of interest, dividends, original issue discount, and unemployment compensation must be reported if $10 or more. Interest on bearer certificates of deposit (under $100,000 value), or any distribution from an individual retirement arrangement, must be reported regardless of the amount paid or distributed. Form 1099 should not be issued to a nonresident alien. See instruction I.

Forms 1087.—Anyone receiving a Form 1099, showing income that actually belongs to another person should file a Form 1087 to show the actual ownership. Forms 1087 correspond to equivalent Forms 1099, and reporting requirements are parallel. There is not a corresponding Form 1087 for every type of Form 1099. (See instruction B.)

B. When to File.—Use Form 1096 to summarize and transmit Forms 1099–ASC, 1099–BCD, 1099–DIV, 1099–F, 1099–INT, 1099L, 1099–MED, 1099–MISC, 1099–NEC, 1099–OID, 1099–PATR, 1099R, 1087–ASC, 1087–DIV, 1087–INT, 1087–MED, 1087–MISC, and 1087–OID by February 28, 1983.

C. Where to File.—

If your legal residence, principal place of business, office, or agency is located in	Use the following Internal Revenue Service Center address	
New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester	Holtsville, NY	00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA	05501
District of Columbia, Delaware, Maryland, Pennsylvania	Philadelphia, PA	19255
Alabama, Florida, Georgia, Mississippi, South Carolina	Atlanta, GA	31101
Michigan, Ohio	Cincinnati, OH	45999
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas	Austin, TX	73301
Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT	84201
Illinois, Iowa, Missouri, Wisconsin	Kansas City, MO	64999
California, Hawaii	Fresno, CA	93888
Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia	Memphis, TN	37501

If you have no legal residence or principal place of business in any Internal Revenue district, file with the Internal Revenue Service Center, Philadelphia, PA 19255.

If you pay nontaxable dividends to your shareholders (other than actual distributions of subchapter S corporations out of previously taxed income), complete and file Form 5452, Corporate Report of Nontaxable Dividends, by February 28, 1983, with the **Director, Corporation Tax Division, Internal Revenue Service, Washington, DC 20224.**

D. Calendar Year Basis.—File Forms 1099 and 1087 on a calendar year basis.

E. Identifying Numbers.—IRS uses taxpayer identifying numbers to associate and verify payments to income recipients with corresponding amounts on tax returns. Therefore, it is important that you furnish correct social security or employers identifying numbers for recipients on the forms, magnetic tape, diskette, or disk pack sent to IRS. For each omission of a required number, the law provides that IRS may charge a $5 penalty, unless the payer or recipient responsible for furnishing the number supplies an explanation that establishes reasonable cause for not having done so. For those engaged in a trade or business (including employee trusts, retirement systems, etc.), the taxpayer identifying number is the employer identification number (00–0000000). For individuals, it is the social security number (000–00–0000). When listing an identifying number, please separate the nine digits as shown, to distinguish the type of number being reported. See Form 3435, Payer's Request for Identifying Number, for further information.

Sole proprietors who are payers should show their Federal employer identification number on the returns they prepare. However, payers should use the social security numbers of sole proprietors on returns for payments to them.

Show the full name and address of the recipient in the section provided on the return. When payments have been made to more than one individual recipient, show as the ONLY name on the first line the name of the recipient whose identifying number is on the return. Show the names of remaining individual recipients on the second line, and if necessary, on following lines.

F. Shipping and Mailing.—Payers who file on paper forms and who use more than one type of form should group returns of the same type and send each group separately from the others. For example, if you pay both interest and dividends, file Forms 1099–INT with one Form 1096 and Forms 1099–DIV with a second Form 1096. Separate the returns for which you have not yet been able to obtain recipient's taxpayer identifying numbers from those with identifying numbers, and file them with their own Form 1096.

If you are sending many forms, you may send them in conveniently sized packages. On each package write your name and identifying number, number the packages consecutively, and place Form 1096 in package number one. At the top of Form 1096 show the number of packages. Postal regulations require forms and packages to be sent by first class mail.

G. Statements to Recipients.—Statements to income recipients need not be on a copy of the paper form filed with the Service. They may report different types of payments. For example, you may include interest payments and stock dividends on a single statement to the recipient. Identify the items clearly in language similar to that used on the official forms. The message that "This information is being furnished on Forms 1099 (or 1087) to the Internal Revenue Service" should also appear on the statement. You may combine the statements with other reports or financial or commercial notices, or expand them to include other information of interest to a depositor, patron, or shareholder.

You should provide the statements between December 31, 1982, and January 31, 1983. However, you may issue them earlier in some situations, as provided by the regulations. For example, you may furnish a statement if it is with a final interest payment for the year, after redemption or maturity of an obligation, or after final withdrawal if it is after April 30th of the year. Cooperatives may furnish Forms 1099–PATR with the final dividend payment regardless of the date.

H. Returns Filed with IRS.—

If you use paper forms, report payments on the appropriate form, as explained in the Specific Instructions below. Do NOT report payments to employees, such as Christmas bonuses or reimbursements for travel or car expenses, on forms of the 1099/1087 series. See the Revenue Procedures on specifications for private printing of information documents. If proposed privately printed forms do not meet the specifications in the procedures, you may request special consideration by submitting your proposed forms to the Internal Revenue Service, Washington, DC 20224 (Attention: Substitute Forms Program).

On corrected returns center the words "CORRECTED RETURN" (in upper case letters) in the space at the top of the return to the right of the space marked "For official use only" and check the box in the left margin. For paper forms correcting data previously submitted on magnetic tape, diskette, or disk pack, print "CORRECTED RETURN-MAGNETIC MEDIA" in the space and also check the box. Complete all required data boxes on a corrected return since it supersedes the information previously reported. Also identify statements for recipients as "CORRECTED."

The regulations call for a signed affidavit on the transmittal document. This requirement is fulfilled by signing the Form 1096 on the bottom after the declaration of compliance. A separate affidavit is not necessary.

Under certain conditions, a transmitter, service bureau, paying agent, or disbursing agent may sign the affidavit on behalf of the payer. The transmitter, service bureau, paying agent, or disbursing agent must meet all of the following conditions:

(1) Have the authority to sign the affidavit under an agency agreement (oral, written, or implied) that is valid under State law.

(2) Have the responsibility (oral, written, or implied) conferred on it by the payer to request the taxpayer identifying numbers of recipients reported on magnetic media or paper documents.

(3) Sign the affidavit and add the caption "For (Name of payer)."

Signing of the affidavit by an authorized agent on behalf of the payer does not relieve the payer of the responsibility for filing a correct, complete, and timely Form 4804, Annual Summary and Transmittal of Income, Tax and Information Statements Reported on Magnetic Media, and attachments. It also does not relieve the payer of any penalties for not complying with those requirements.

I. Other Information Returns.—The information you give on the following returns must not be repeated on the returns discussed in the Specific Instructions:

(1) Returns filed with Form W–3:
  (a) Form W–2 reporting wages and other employee compensation.
  (b) Form W–2P reporting annuities, pensions, retirement pay, and IRA payments.

(2) Forms 941, 941E, 942, and 943 reporting income paid.

(3) Forms 1042S, 1000, and 1001 reporting income.

(4) Form 1042S reporting income of nonresident aliens (including interest on tax-free covenant bonds).

(5) Form 2439 reporting undistributed long-term capital gains of a regulated investment company.

(6) Schedule K–1 of Form 1065 reporting distributive shares to members of a partnership.

(7) Schedule K–1 of Form 1041 reporting distributions to beneficiaries of trusts or estates.

(8) Schedule K–1 of Form 1120S reporting constructive distributions to shareholders of subchapter S corporations. Report actual distributions on Form 1099–DIV.

(9) Schedule K of Form 1120–DISC reporting actual and constructive DISC distributions to shareholders.

Specific Instructions

If a distribution includes noncash property, show the fair market value of the property at the time of payment.

Although you need not report payments smaller than the minimum described below, you may prefer, for economy and your own convenience, to file Copies A for all payments. IRS encourages this.

Form 1099–ASC

You must provide a Statement for Recipients of Interest on All-Savers Certificates for each person to whom you have paid $10 or more in interest on All-Savers Certificates. A copy should be given to each recipient. Report in:

Box 1.—All interest paid or credited to an All-Savers Certificate account during this year that is eligible for exclusion. Do not include interest paid or credited to a certificate account that has been disqualified.

Box 2.—Interest paid or credited to an All-Savers Certificate account which has been disqualified due to an early withdrawal, or pledging of the certificate(s) as collateral. Report this interest on a Form 1099–ASC separate from that reporting box 1 interest.

Box 3.—Any interest or principal of an All-Savers Certificate that you deducted from the account as a forfeiture due to an early withdrawal. This is the total amount forfeited including any amount earned or credited last year.

Box 4.—Any interest reported in box 1 in 1981 that became disqualified in 1982 for tax-exempt treatment.

Form 1099–BCD

You must provide a Statement for Recipients of Interest on Bearer Certificates of Deposit for each person to whom you have paid interest (in any amount) on certificates of deposit issued in bearer form in denominations of less than $100,000. A copy should be given to each recipient. Report in:

Box 1.—The total amount of interest paid during the year.

Box 2.—The amount of interest, included in box 1, which is applicable to [illegible]982.

Box 3.—The taxpayer identifying number of the original purchaser of the certificate if it was issued after March 13, 19[illegible]8.

The name, address, ZIP code, and taxpayer identifying number of the original purchaser do not have to be shown if the certificate was issued before March 1[illegible], 1978. Please write "issued before 3/14/7[illegible]" in the space for the original purchaser's name and address in such cases.

The statement issued to the recipient of interest on a bearer certificate must not contain any information about the original purchaser of the certificate.

Original issue discount, subject to reporting under regulations section 1.6049–1(a)(1)(ii), is not interest subject to reporting on Form 1099–BCD.

Form 1099–DIV

You must provide a Statement for Recipients of Dividends and Distributions for each person (a) to whom you have paid gross dividends and other distributions on stock (box 1) of $10 or more or (b) for whom you have withheld and paid foreign tax on dividends and other distributions on stock, if the recipient can claim credit for the tax on his or her income tax return. A copy must be given to each recipient. See regulations under section 6042 for definition of dividends. Report in:

Box 1.—Gross dividends and other distributions on stock.

Box 2.—Dividends qualifying for the $100 dividend exclusion on Form 1040. This does not mean that these dividends are not reportable on Form 1040.

Box 3.—Dividends not qualifying for exclusion (do not include amounts shown in boxes 4 and 5).

Box 4.—Capital gain.

Box 5.—Nontaxable distributions, if determinable. (File Form 5452 for dividends paid from other than earnings and profits.)

Box 6.—Foreign tax withheld and paid on dividends and other distributions on stock. Be sure to include this amount in the appropriate boxes above in U.S. dollars.

Box 7.—You may further help recipients compute their foreign tax credit (on IRS Form 1116) by showing the name of the foreign country or U.S. possession for which the tax was withheld.

Form 1099–DIV applies to actual, but not constructive, distributions which subchapter S corporations made to shareholders. Report in box 5 nontaxable actual distributions such a corporation paid from income previously taxed. Report on Schedule K–1 (Form 1120S) constructive distributions considered paid and taxable to shareholders from current year earnings and profits.

Payers of dividends on restricted stock should advise the recipients to report those dividends as a memo item on Schedule B of Form 1040. See Rev. Proc. 80–11, 1980–1 C.B. 616.

Form 1099–F

You must provide a Statement for Certain Fishing Boat Crewmembers (a) for each crewmember to whom you pay a share o the proceeds from the sale of the catch, or (b) to whom you give a share of the catch based on a percentage of the weight of the catch. A copy must be given to each recipient. These rules apply only if the operating crew of the boat (or each boat, if an individual receives a share from more than one boat) consists of fewer than 10 individuals. Report in:

Box 1.—The amount paid to the crewmember representing that crewmember's share of the proceeds from the sale of the catch.

Box 2.—The percentage of the catch o proceeds from the catch to which the crewmember is entitled under an arrangemen with the owner or operator of the boat.

Box 3.—The percentage of the catch o proceeds from the catch to which the owne or operator is entitled.

Box 4.—The estimated fair market valu of the crewmember's share of the catch. Fi in this block only if the catch is not sold b the owner or operator of the boat but th crewmember is given a share of the actu catch based on percentage.

Box 5.—The type of catch. If there is n entry in box 1, you must list the type of th catch in which the crewmember will receiv a share.

Box 6.—The total weight of the catch th is to be sold or distributed.

If box 1 contains a dollar amount, you c not have to fill in boxes 4, 5, and 6.

Form 1099–INT

You must provide a Statement for Recipients of Interest Income for each person (a) to whom you paid amounts reportable in boxes 1 and 2 of at least $10 (except for the $600 limit described in the instructions below for box 2) or (b) for whom you withheld and paid foreign tax on interest. A copy must be given to each recipient. Report in:

Box 1.—Amounts, whether or not designated as interest, that are paid or credited to any person's account by savings and loan associations, mutual savings banks not having capital stock represented by shares, building and loan associations, cooperative banks, homestead associations, credit unions, or similar organizations.

Box 2.—Amounts of interest paid or credited to any person's account. Generally, this is interest on bank deposits, corporate bonds, and stockholder's accounts. Also report payments of interest not meeting these criteria, if they total $600 or more for any person. This includes foreign items, defined in the regulations under section 6041.

Box 3.—Amounts of interest reported in boxes 1 or 2 (in any year) which were later forfeited due to premature withdrawal of time deposits, and are deductible by the recipient from gross income. The forfeiture may include principal.

Box 4.—Foreign tax withheld and paid on interest (applicable only to taxes eligible for the recipient's foreign tax credit). Be sure to include this amount in the appropriate boxes above in U.S. dollars.

Box 5.—You may further help recipients compute their foreign tax credit (on IRS Form 1116) by showing the name of the foreign country or U.S. possession for which the withheld tax applies.

Do not include in either box 1 or 2 interest on tax-free covenant bonds, which is reportable on Forms 1042S.

Form 1099L

You must provide a U.S. Information Return for Distributions in Liquidation During Calendar Year for each person to whom a distribution of $600 or more was made under sections 302, 331, 333, or 346. Report in:

Box 1.—Any cash distributed.

Box 2.—The fair market value of property, other than cash, on the date that the property was distributed.

Box 3.—A description of the property reported in box 2.

Boxes 4 and 5.—The number of shares and the class of stock owned by the recipient.

Form 1099–MED

You must provide a Statement for Recipients of Medical and Health Care Payments for each physician or other supplier or provider of services under health, accident, and sickness insurance programs to whom you paid at least $600. (See Rev. Rul. 69–595, 1969–2 C.B. 242, and Rev. Rul. 70–608, 1970–2 C.B. 286.) A copy must be given to each recipient.

The exemption for issuing Form 1099 to a corporation does not apply to corporations that provide medical or health care services. Payments of $600 or more made to such a professional corporation should be reported on a Form 1099–MED, listing the corporation as the recipient.

Form 1099–MISC

You must provide a Statement for Recipients of Miscellaneous Income for each person to whom you have paid at least $600 in rents, royalties, and other payments reportable on the form. A statement must be given to each recipient. Report in:

Box 1.—Gross rents. Do not include rent paid by a tenant to a real estate agent.

Box 2.—Gross royalty payments, that is, before severance and other taxes which may have been withheld and paid. Do not include surface royalties. They should be reported in box 1.

Box 3.—Prizes and awards which are not for services rendered.

Any payment that cannot be reported on any of the other types of Form 1099, and that is not reportable on Form W–2 or W–2P, may be reported in the space below boxes 2 and 3. Please list the amount paid and identify the type of payment you are reporting in this space. Notice 538, Guide to Information Returns, lists all the 1099 forms and what should be reported on each form, as well as Forms W–2 and W–2P with their reporting requirements. Please consult this list before using the blank space on Form 1099–MISC. If you are still in doubt, contact an IRS office.

Form 1099–NEC

You must provide a Statement for Recipients of Nonemployee Compensation for each individual to whom you have paid at least $600 in fees, commissions, or any other form of compensation. A statement must be given to each recipient. Report in:

Box 1.—All fees, commissions, prizes, awards, or any other compensation paid to (or on behalf of) any individual for services rendered in the course of your trade or business when that individual is not treated as an employee. Also include expenses incurred for use of an entertainment facility that you treat as compensation to a nonemployee.

Note: *In order to qualify for section 530 relief, under the Revenue Act of 1978 as extended by P.L. 96–541, employers may file Form 1099–NEC.*

Form 1099–OID

You must provide a Statement for Recipients of Original Issue Discount if you are any of the following: (1) a corporation with any bond outstanding or other evidence of indebtedness in registered form issued after May 27, 1969; (2) an issuer of certificates of deposit made, purchased, or renewed after December 31, 1970, if there is original issue discount of at least $10 and the term of the obligation or deposit is more than a year; or (3) a financial institution holding time and savings deposits. A copy must be given to each recipient.

"Original issue discount" means the difference between the stated redemption price at maturity and the issue price. Discount of less than one-fourth of 1% of the stated redemption price at maturity, multiplied by the number of full years from the date of issue to maturity, is considered to be zero.

Ordinarily, you must file only one Form 1099–OID for the depositor or holder of a particular obligation for the calendar year. If a person holds more than one discount obligation, issue separate Forms 1099–OID for each obligation. However, corporations that do not use actual dates in computing the discount may prepare a Form 1099–OID for each person who holds a discount obligation on the semiannual record date used for paying stated interest. If interest is not paid semiannually and your corporation does not use actual dates, you should prepare a Form 1099–OID for each holder of record of a discount obligation on June 30 and December 31 of the year. Or, if a person holds more than one certificate of the same issue for the same period of time during the calendar year, and if Form 1099–OID amounts are proportional, you may treat all such certificates as one discount obligation and file a single Form 1099–OID. This alternative does not apply to deposits; you must use the actual date of deposit and compute original issue discount on a straight-line, monthly, prorata basis. Report in:

Box 1.—The total amount the holder or depositor must include as original issue discount from obligations of a financial institution. (Certificates of deposit, etc.)

Box 2.—The total amount earned as original issue discount from corporate obligations. (Corporate bonds, etc.)

Box 3.—The issue price of the obligation.

Box 4.—The stated redemption price at maturity.

Box 5.—The ratable monthly portion of original issue discount. To find this, divide the discount by the number of complete months or fractions of months from the date of original issue to the stated maturity date. A "complete month" begins on the date of original issue and on the corresponding date of each succeeding calendar month. If an obligation is acquired on any date other than that on which a "complete month" begins, prorate the ratable monthly portion of original issue discount for that complete month between the transferor and the transferee. The transferee, not the transferor, is considered to hold the obligation on the date of acquisition. In making this computation, you may treat each month as having 30 days. The fraction of the month in which the obligation matures is assumed to be the remainder of a month of the same length as the one in which the obligation was originally made.

For "time deposit open account arrangements," you do not have to enter amounts in boxes 3, 4, or 5 of Form 1099–OID. Under a "time deposit open account arrangement" deposits may be made from time to time, and ordinarily no interest will be paid or constructively received until the fixed maturity date. All deposits under such an arrangement constitute parts of a single obligation. However, the amount of original issue discount to be ratably included as interest in the depositor's gross income for any tax year is the sum of the amounts separately computed for each deposit.

See the regulations under Code sections 1232 and 6049 for more information and examples of original issue discount. Original issue discount not subject to the rules above, such as discount on the sale of an obligation with a term of one year or less from date of original issue, is reportable on Form 1099–INT.

Form 1099–PATR

You must provide a Statement for Recipients (Patrons) of Taxable Distributions Received From Cooperatives for each person to whom the cooperative has paid at least $10 in patronage dividends and other distributions, described in section 6044(b). A copy must be given to each recipient. On receiving nonqualified allocations and nonqualified per-unit retain certificates, the recipient should not include them in income. Instead, the recipient must include any amount received from the sale, redemption, or other disposition of the certificates. The amount received is considered to be a gain from the sale or exchange of property that, to the extent of its stated dollar value, is not a capital asset. However, the stated dollar value of qualified written notices of allocation and qualified per-unit retain certificates, as well as patronage dividends of money, must be included in income on receipt. In general, the recipient should not include in income patronage dividends from the purchase of depreciable or capital assets, or personal or living items. For more information see **Publication 225,** Farmer's Tax Guide. A cooperative determined to be primarily engaged in the retail sale of goods or services that are generally for personal, living, or family use may ask for and receive exemption from certain IRS reporting re-

quirements. Use Form 3491 to apply for this exemption.

Report dividends paid on cooperatives' capital stock on Form 1099–DIV. Report in:

Box 1.—The total of patronage dividends paid in cash (qualified or "consent" checks), qualified written notices of allocation (face amount), and other property.

Box 2.—The total of nonpatronage distributions paid in cash (qualified or "consent" checks), qualified written notices of allocation (face amount), and other property (applicable only to farmer cooperatives qualifying under section 521).

Box 3.—The total of per-unit retain allocations paid in cash, qualified per-unit retain certificates (face amount), and other property.

Box 4.—All redemptions of nonqualified written notices of allocation issued as patronage dividends, nonqualified written notices of allocation issued as patronage allocations (applicable only to farmer cooperatives qualifying under section 521), and nonqualified per-unit retain certificates, issued with respect to marketing.

Pass-through Credits

The patron's share of unused credits that the cooperative is passing through to this patron:

Box 5.—Investment credit

Box 6.—Energy investment credit

Box 7.—Jobs credit

Form 1099R

You must provide a Statement for Recipients of Total Distributions from Profit-Sharing, Retirement Plans and Individual Retirement Arrangements for each person to whom you make a total distribution of $600 or more from profit-sharing or retirement plans. All distributions from an individual retirement arrangement (IRA) must be reported in box 6 regardless of the amount if they represent a total distribution. A copy must be given to each recipient. IRA payments which are not a total distribution should be reported on Form W–2P, Statement for Recipients of Periodic Annuities, Pensions, Retired Pay, or IRA Payments. A total distribution is one in which the entire balance of the account is distributed.

Note: *The instructions apply to distributions from profit-sharing and retirement plans. The instructions for boxes 6 and 7 are for IRA distributions only. Box 4 applies to all distributions.*

Use this form to report total payments of matured or redeemed annuity, endowment, and life insurance contracts and total distributions from individual retirement arrangements. Do not use it for periodic payments (whether paid under a profit-sharing or retirement plan or under an optional settlement made by a life insurance company). The form does not apply to payments subject to income or social security (FICA) tax withholding. Report in:

Box 1.—Amount includible as income. Enter the total of amounts in boxes 2, 3, and 4, but do not include excludable or tax-deferred amounts reportable in boxes 5, 8, or 9.

Box 2.—Capital gain (for lump-sum distributions only).

Box 3.—Ordinary income. Compute the capital gain and ordinary income amounts as shown in the example below.

When you compute the months of an employee's active participation before 1974, count as 12 months any part of a calendar year in which an employee actively participated under the plan; for active participation after 1973, count as one month any part of a month in which the employee actively participated under the plan.

The number of months of active participation begins with the first month in which an employee became a participant under the plan and ends with the earliest of—

(a) The month in which the employee received a lump-sum distribution under the plan;

(b) In the case of an employee who is not an employee within the meaning of section 401(c)(1), the month in which the employee separates from the service;

(c) The month in which the employee dies; or

(d) For an employee within the meaning of section 401(c)(1), the first month in which the employee becomes disabled (within the meaning of section 72(m)(7)).

You must check the applicable box to show whether the distribution is or is not a lump-sum distribution. If it is not a lump-sum distribution, no part of it can qualify for capital gain treatment. Payments received on the termination of a plan do not automatically qualify for capital gains treatment.

For survivor-beneficiaries of deceased employees, the entries in boxes 2 and 3 should be without regard to the survivor's death benefit exclusion under section 101(b). You are encouraged to provide recipients with any information they may need to compute and allocate the exclusion between capital gain and ordinary income.

Box 4.—Premiums paid by a trustee or custodian for current life or other insurance protection. See regulations section 1.72–16 (b), and Revenue Rulings 55–747, 1955–2 C.B. 288, and 66–110, 1966–1 C.B. 12, for information on the cost of premiums, paid by an employee's trust under a qualified plan for current life insurance protection, taxable to plan participants or their beneficiaries.

Note: *This applies to all distributions; therefore do not include any amounts paid for IRA insurance protection in the total for box 6.*

Box 5.—Employee contributions to a profit-sharing or retirement plan. Enter the amount (a) actually contributed by the employee over the years under the retirement or profit-sharing plans, plus (b) any employer-contributed amounts considered to have been contributed by the employee under section 72(f), and (c) the accumulated cost of premiums paid for life insurance protection, taxable to the employee in previous years and in the current year (box 4) under regulations section 1.72–16.

Box 6.—The amount distributed from an individual retirement arrangement. Do not include any amounts from box 4. The amount shown in box 6 may be includible in the recipient's current income, depending on the type of distribution. In the case of a distribution by a trust representing CD's redeemed early, report the net amount distributed.

Box 7.—The appropriate code number that shows the type of distribution being made in box 6. See the instructions on the back of Copy B, Form 1099R, for a breakdown of the codes to be used.

Box 8.—Net unrealized appreciation in employer's securities. See regulations 1.402(a)–1(b) for determination of the net unrealized appreciation. Use this box if a distribution includes securities of the employer corporation (or a subsidiary or parent corporation) and you can compute the net unrealized appreciation in the employer's securities.

Box 9.—Other. This space is for payers whose distribution includes items not covered by the above and who want to provide that information to employees or beneficiaries (for example, the current actuarial value of an annuity contract that is a part of a lump-sum distribution or the value of U.S. retirement bonds that you may distribute to employees or beneficiaries). Be sure to identify any amounts shown in this box.

To determine the value of an annuity contract (reportable in box 9) show the value as an amount equal to the current actuarial value of the annuity contract, reduced by an amount equal to the excess of the employee's contributions over the cash and other property (not including the annuity contract) distributed.

If an annuity contract is part of a multiple recipient lump-sum distribution, enter in box 9, along with the current actuarial value, the percentage of the total annuity contract each Form 1099R represents. This percentage may be different from the percentage of the total lump-sum distribution.

If a total distribution is made to multiple recipients, enter in the appropriate space below box 9 the percentage of the total distribution that each Form 1099R represents.

Please advise recipients of Form 1099R that they may be entitled to use the special 10-year averaging method when they compute their tax on the ordinary income portion of their lump-sum distribution. Also, if they wish to use this method, they should compute their tax on the ordinary income portion on Form 4972, Special 10-Year Averaging Method, or Form 5544, Multiple Recipient Special 10-Year Averaging Method. If the lump-sum distribution is made to multiple recipients, they will need the information to compute their tax on Form 5544.

Example

Step I: Total Taxable Amount		
Total Distribution		XXXXX
Less: 1. Current actuarial value of any annuity	XXXXX	
2. Employee contributions (minus any amounts previously distributed that were not includible in the employee's gross income) .	XXXXX	
3. Net unrealized appreciation in the value of any employer securities that were a part of the lump-sum distribution	XXXXX	XXXXX
Total Taxable Amount		XXXXX

Step II: Capital Gain

$$\text{Total Taxable Amount (from Step I)} \times \frac{\text{Months of Active Participation Before 1974}}{\text{Total Months of Active Participation}} = \text{Capital Gain}$$

Step III: Ordinary Income

$$\text{Total Taxable Amount (from Step I)} \times \frac{\text{Months of Active Participation After 1973}}{\text{Total Months of Active Participation}} = \text{Ordinary Income}$$

Form **1116**

Department of the Treasury
Internal Revenue Service

Computation of Foreign Tax Credit

Individual, Fiduciary, or Nonresident Alien Individual

▶ Attach to Form 1040, 1041, 1040NR, or 990–T
▶ See separate instructions

OMB No. 1545-0121

1982
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Name	Identifying number as shown on page 1 of your tax return

Use a separate Form 1116 for each type of income. Check only one box below.

This form is being completed for credit for taxes on:
☐ Nonbusiness (section 904(d)) interest income
☐ Dividends from a DISC or former DISC
☐ Foreign oil-related income
☐ All other income from sources outside the U.S. (including income from sources within U.S. possessions)

Resident of (name of country)

Citizen of (name of country)

Note: *If, for the box checked above, you have income from, or have paid taxes to,* **MORE THAN ONE** *foreign country or U.S. possession, you must complete and attach* **Schedule A, Form 1116,** *Schedule of Foreign Taxable Income and Foreign Taxes Paid or Accrued. If you use Schedule A, do not complete Parts I and II below.*

Part I Taxable Income from Sources Outside the U.S.

Name of Foreign Country or U.S. Possession . . . . ▶

1 Gross income from sources outside the U.S.:
a Dividends 1a
b Gross rents and royalties 1b
c Foreign source capital gain net income 1c
d Wages, salaries, and other employee compensation 1d
e Business or profession (sole proprietorship) 1e
f Gross income from trusts and estates 1f
g Other (including interest—attach schedule) 1g
h Add lines 1a through 1g and enter total here . . . . ▶ 1h

2 Applicable deductions and losses (see instructions):
a Expenses directly allocable to business or profession 2a
b Depreciation and depletion directly allocable to rent and royalty income . 2b
c Repairs and other expenses directly allocable to rent and royalty income . 2c
d Other expenses directly allocable to specific income items (attach schedule) . . . 2d
e Pro rata share of all other deductions not directly allocable:
(i) Itemized deductions (attach schedule) . .
(ii) Other deductions (attach schedule) . .
(iii) Add lines 2e(i) and 2e(ii) . . . . . .
(iv) Total foreign source income (see instructions) . .
(v) Gross income from all sources (see instructions) . . . .
(vi) Divide line 2e(iv) by line 2e(v) . . . .
(vii) Multiply line 2e(vi) by line 2e(iii) 2e
f Losses from foreign sources 2f
g Add lines 2a through 2d, 2e, and 2f. Enter total here . . . . ▶ 2g

3 Subtract line 2g from line 1h. Enter here and in Part III, line 6. (This is your taxable income or (loss) from sources outside the U.S. (before recapture of prior year overall foreign losses).) . . . . ▶ 3

Part II Foreign Taxes Paid or Accrued (Attach receipt or copy of return)

		Date Paid or Accrued	In Foreign Currency	In U.S. Dollars		
1 Credit is claimed for taxes ☐ paid or ☐ accrued (you must check one)						
2 Foreign taxes paid or accrued:						
a Taxes withheld at source on dividends . .	2a					
b Taxes withheld at source on rents and royalties	2b					
c Other foreign taxes paid or accrued . . .	2c					
d Add the amounts, in U.S. dollars, on lines 2a, 2b, and 2c. Enter here and in Part III, line 1 . . . . ▶					2d	

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Form **1116** (1982)

Part III Computation of Foreign Tax Credit

1 Enter amount from Part II, line 2d, or from Schedule A, Part II, "Total" 1

2 Carryback or carryover (attach detailed computation) 2

3 Add line 1 and line 2 3

4 Reduction in foreign taxes (see instructions) 4

5 Subtract line 4 from line 3 5

6 Enter amount from Part I, line 3, or from Schedule A, Part I, line 3. If loss, you have no foreign tax credit for the income you checked above. Skip lines 7 through 17 6

7 Recapture of prior year overall foreign losses (attach computation) . 7

8 Subtract line 7 from line 6. This is your net foreign source taxable income 8

9 **Individuals:** Enter amount from Form 1040, line 35, or from Form 1040NR, line 38. **Estates and trusts:** Make no entry; skip to line 11 . 9

10 Enter $3,400 (joint return or widow(er)), $2,300 (single or head of household), or $1,700 (married filing separate return) 10

11 **Individuals:** Subtract line 10 from line 9. **Estates and trusts:** Enter on this line your taxable income without the deduction for your exemption 11

12 Divide line 8 by line 11 (if line 8 is more than line 11, enter the figure "1") 12

13 Enter your total U.S. income tax before any credits (see instructions) 13

14 Enter your credit for the elderly (from line 41, Form 1040) . . . 14

15 Subtract line 14 from line 13 15

16 Multiply line 15 by line 12. (Maximum amount of credit.) 16

17 Enter the amount from line 5 or line 16, whichever is smaller . . . . ▶ 17

Part IV Summary of Credits from Separate Parts III

1 Credit for taxes on nonbusiness (section 904(d)) interest . . . 1

2 Credit for taxes on dividends from a DISC or former DISC . . . 2

3 Credit for taxes on foreign oil-related income 3

4 Credit for taxes on all other income from sources outside the U.S. (including income from sources within U.S. possessions) 4

5 Add lines 1 through 4 5

6 Reduction in credit for international boycott operations (see "Reduction of Credit for International Boycott Operations" in instructions for Part III) 6

7 Subtract line 6 from line 5. This is your foreign tax credit. Enter here and on your tax return . . ▶ 7

1982 Department of the Treasury
Internal Revenue Service

Instructions for Form 1116

Computation of Foreign Tax Credit

Individual, Fiduciary, or Nonresident Alien Individual

(References are to the Internal Revenue Code)

General Instructions

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose

Use Form 1116 to figure the amount of your foreign tax credit.

To take this credit, complete Form 1116 and attach it to your income tax return when you file it. If you have income from, or have paid taxes to, more than one foreign country or U.S. possession, you may have to complete and attach **Schedule A (Form 1116)**, Schedule of Foreign Taxable Income and Foreign Taxes Paid or Accrued. For more information, please get **Publication 514**, Foreign Tax Credit for U.S. Citizens and Resident Aliens. You can get it from the IRS Forms Distribution Center.

Note: *U.S. citizens who live in France may be able to take a foreign tax credit against their U.S. tax liability for the French tax imposed on certain items of income from the United States. See* **Publication 514** *for more information.*

Who May Take the Credit

In general, an individual, estate, or trust may take the credit, but there are some exceptions.

You may **not** take the credit if you are:

- A U.S. citizen who is exempt from U.S. tax on income from certain U.S. possessions.
- A bona fide resident of the Virgin Islands.
- A nonresident alien, in most cases. However, if you are a nonresident alien and qualify under (1) or (2) below, you may be able to take the credit:

(1) You are a resident of Puerto Rico during your entire tax year, or

(2) You are a nonresident alien who pays or accrues tax to a foreign country or U.S. possession on income effectively connected with a trade or business in the United States. However, if you have to pay tax to a foreign country or U.S. possession on income from U.S. sources only because you are a citizen or a resident of that country or U.S. possession, that tax may not be used in figuring the amount of your credit. Citizens of a U.S. possession (except Puerto Rico or Guam) who are not otherwise citizens or residents of the United States are considered nonresident aliens.

For more information, please get **Publication 519**, U.S. Tax Guide for Aliens.

Foreign Taxes You May Take a Credit For

You may take the credit for income, war profits, and excess profits taxes paid or accrued during the tax year to any foreign country or U.S. possession or any political subdivision, agency, or instrumentality of the country or possession. (Examples of political subdivisions are a city, state, or province.) For purposes of this credit, U.S. possessions include Puerto Rico, Guam, and the Virgin Islands.

These taxes include taxes that are paid or accrued in lieu of an income, war profits, or excess profits tax that is otherwise generally imposed.

You may **not** take a credit for taxes paid to a foreign country that would be refunded to you if you made a refund claim. See **Publication 514.**

You may **not** take a credit for certain payments made to a foreign country for the purchase or sale of oil or gas if you do not have an economic interest in the oil or gas to which these payments apply and the price paid or received is different than the fair market value of the oil or gas (section 901(f)).

You may **not** take a credit for any interest or penalties you must pay.

Credit or Deduction

Instead of claiming the credit on Form 1116, you may choose to claim foreign income taxes as an itemized deduction on **Schedule A (Form 1040).** But you may not take both the credit and a deduction for foreign income taxes in the same tax year. If you take the credit for any allowable foreign taxes, it applies to all foreign taxes you paid or accrued in the tax year to all foreign countries and U.S. possessions. If you take the credit for any foreign taxes, you may not take any part of the tax as a deduction in the year you take the credit or in any later year, with one exception. You may take a deduction for foreign taxes not allowed as a credit because of boycott provisions.

If you want to change your election to take a deduction instead of a credit, or a credit instead of a deduction, you must do so by the end of the period prescribed for making a claim for credit or refund of tax for that tax year.

Method of Reporting

Report all amounts on the form in U.S. dollars except where specified otherwise in Part II, Foreign Taxes Paid or Accrued.

If you have to convert from foreign currency, attach a detailed explanation of how you figured the conversion rate. If you choose to take a credit for taxes paid, the conversion rate is the rate of exchange in effect on the day you paid the foreign taxes. If you choose to take the credit for accrued taxes, the conversion rate is the **rate of exchange in effect on the last day of your tax year. However, if a different rate of exchange is in effect when the tax is actually paid, use the rate in effect on the day you pay the tax. If you have to pay additional foreign taxes or receive a foreign tax refund and have filed your return, you must file Form 1040X, Amended U.S. Individual Income Tax Return, immediately to notify the Service so that the amount of your U.S. tax for the year or years affected can be redetermined.**

Note: *If you do not notify the Service of a foreign tax refund, you may have to pay a penalty. Please get* **Publication 514** *for more information.*

Specific Instructions

Use a separate Form 1116 to figure the credit for foreign taxes paid or accrued for each of the following:

- Nonbusiness interest income.
- Dividends from a Domestic International Sales Corporation (DISC) or former DISC.
- Foreign oil-related income.
- All other income from sources outside the United States (including income from sources within U.S. possessions).

Summarize the separate forms in Part IV on one of the forms, but be sure to file all the others as attachments.

Note: *If, for the box you check, you have income from or have paid taxes to more than one foreign country or U.S. possession, you must complete and attach Schedule A (Form 1116).*

Part I.—Taxable Income from Sources Outside the U.S.

Line 1

Include all income that is from sources outside the United States (including high seas income); and that is taxable by the United States whether or not it is taxable by the foreign country or U.S. possession.

Do not include in gross income any earned income excluded on **Form 2555**, Foreign Earned Income. For more information on the exclusion of income earned abroad, please get **Publication 54,** Tax Guide for U.S. Citizens Abroad.

On line 1c enter the gain from the sale of capital assets (including gains treated as capital gains under section 1231) only to the extent of foreign source capital gain net income. (This is either capital gain net income from sources outside the United States or from all sources, whichever is less.) "Capital gain net income" is the amount of gains over losses from sales or exchanges of capital assets.

A gain on a sale or exchange of a capital asset that is personal property (including gain under section 1231) will be considered to be from U.S. sources if the sale or exchange occurs outside the country or U.S. possession (1) in which you live, or (2) in which the property (except for stock in a corporation) was used in a trade or business, or (3) in which you got more than 50% of your gross income during the past 3 years. However, such sales will not be considered from within U.S. sources if they are subject to a tax by a foreign country or U.S. possession at the rate of 10% or more of the gain.

Line 2

Do not include deductions and losses related to exempt or excluded income such as earned income excluded on Form 2255.

Enter on lines 2a, b, c, and d all deductions that apply directly to gross income from foreign sources. This may include deductions included in the amount on line 31, Form 1040 (such as expenses incurred to move to a new principal place of work outside the United States) and on line 28, Schedule A (Form 1040) (such as supplies you bought for your job outside the United States).

Enter on line 2e the pro rata share of all other deductions (such as itemized deductions not included in the amounts on lines 2a, b, c, and d, or the zero bracket amount if you are an individual and do not itemize) that you cannot allocate to specific items of income. You can figure this amount by following steps 2e(i) through 2e(vii). For this computation, total foreign source income (line 2e(iv)) and gross income from all sources (line 2e(v)) include:

- Amounts exempt or excluded, such as the income of a nonresident alien that is not effectively connected with a trade or business in the United States; or
- Foreign earned income excluded on Form 2555.

The deduction for personal exemptions is not allowed in figuring taxable income for this purpose. See **Publication 514** for an example.

Note: *The Economic Recovery Tax Act of 1981 has made an exception to the treatment of deductions not directly allocable. For the first two tax years beginning within two years after August 13, 1981, all research and experimental expenditures conducted in the United States should be allocated to U.S. source income.*

Part II.—Foreign Taxes Paid or Accrued

You may take the credit for the year you paid or accrued the taxes, depending upon your method of accounting. If you report on the cash basis, you may choose to take the credit for accrued taxes. Do this by checking the "accrued box" in Part II of Form 1116 or Schedule A (Form 1116). Once you choose to do this, however, you must credit foreign taxes in the year they accrue on all future returns.

Proof of Credits.—You must verify payment or accrual of each item of foreign tax for which you take a credit. Do this by attaching to Form 1116 either a receipt (if you paid the tax) or a copy of the foreign tax return on which the tax is based (if you accrued, but did not pay the tax). Include a certified translation if the receipt or return is in a foreign language. IRS may accept secondary evidence of foreign taxes paid or accrued if you can show that it is impossible to provide a receipt, return, or direct evidence of tax withheld.

If you claim a credit for tax accrued but not paid, IRS may have you send a bond on **Form 1117**, Income Tax Surety Bond, before the credit is allowed.

Part III.—Computation of Foreign Tax Credit

Line 2.—You may carry back 2 years and then forward 5 years the taxes you paid or accrued to any foreign country or U.S. possession (reduced as described below) that are more than the limitation. First apply the excess to the earliest of the 7 years to which it may be carried. Then apply it to the next earliest year, etc. (Section 904 (c).) The 7-year carryback and carryover period may not be extended even if you are unable to claim a credit in one of the intervening years.

If you did not claim a credit in a tax year to which the excess is carried, the excess is considered used in that year in the same way as though you had claimed a credit.

Apply the carryback and carryover provisions separately to the excess for the following:

- Nonbusiness interest income.
- Dividends from a DISC or former DISC.
- Foreign oil-related income.
- All other income from sources outside the United States (including income from sources within U.S. possessions).

If you used the per-country limitation in your last tax year beginning before 1976 (1979 for U.S. possession income), special carryback and carryover provisions apply. Write to the Internal Revenue Service, Foreign Operations District, Washington, DC 20225, for more information.

Line 4.—You may have to reduce the foreign taxes you paid or accrued by the following items.

- *Taxes on Income Excluded on Form 2555.*—To find the amount allocable to income excluded on Form 2555, multiply the foreign taxes paid or accrued by a fraction. The numerator of the fraction is excluded earned income less deductible expenses allocable to that income. The denominator is foreign earned income less deductible expenses allocable to that income.

If the foreign law charges tax on earned income and some other amount (for example, unearned income or a type of income not subject to U.S. tax), the denominator is the amount of income subject to foreign tax less deductible expenses allocable to that income.

- *Taxes on Foreign Oil and Gas Extraction Income.*—Reduce taxes paid or accrued on foreign oil and gas extraction income as provided by section 907(a).
- *Taxes on Foreign Mineral Income.*—Reduce taxes paid or accrued on mineral income from a foreign country or U.S. possession if you got a deduction for percentage depletion under section 613 for any part of the mineral income. (Section 901 (e).)
- *Failure to Provide a Return Required Under Section 6038.*—Section 6038 says that U.S. shareholders who control a foreign corporation must provide annual information returns. If by the date required by this section you do not do so, you must reduce by 10% all foreign taxes that you otherwise may take into account for the foreign tax credit. You must do this each time you fail to provide the information. You must make additional reductions of 5% for each additional 3-month period, or part thereof, if the failure continues for 90 days or more.

Note: *If the annual accounting period of the foreign corporation ends after September 3, 1982, the reduction in foreign taxes is reduced by the dollar penalty imposed under section 6038(b).*

- *Reduction of Credit for International Boycott Operations.*—In general, if you agree to participate in or cooperate with an international boycott, file **Form 5713,** International Boycott Report. Reduce either the total taxes available for credit or the credit otherwise allowable.

If you can figure the taxes specifically for boycott operations, enter the amount on Part III, line 4, and subtract it from the total taxes available for credit.

However, if you cannot figure the amount of taxes attributable to boycott operations, multiply the credit otherwise allowable by the international boycott factor. Subtract the result from the credit otherwise allowable and enter it on Part IV, line 6.

For more information, see Form 5713, and its instructions.

If any of the above items apply to you, attach a separate sheet showing in detail how you figured the reduction. Enter the total of the items to be subtracted from your foreign taxes on line 4.

Line 7.—In general, an "overall foreign loss" is the result you get by subtracting the gross income from sources outside the United States from the total deductions applicable to such income. However, see section 904(f) for certain losses not taken into account and special rules governing dispositions of property used mainly outside the United States in a trade or business. Also see section 904(f) if you received an accumulation distribution from a foreign trust.

If you have an overall foreign loss that offsets U.S. source income, a part of your foreign income is treated as U.S. source income in each following tax year. The part that is treated as U.S. source income is the smaller of (1) the amount of overall foreign loss not recaptured in earlier years, or (2) 50% or more of your taxable income from foreign sources.

Enter the smaller of (1) or (2) on line 7 and attach your computation.

Line 13.—Your total U.S. income tax means the total income tax imposed by Chapter 1 of the Internal Revenue Code, other than the following taxes:

- Tax from recapture of investment credit from line 54, Form 1040; line 55, Form 1040NR; line 12, Form 990–T; and line 31a, Form 1041.
- Minimum tax from line 52, Form 1040; line 53, Form 1040NR; line 13, Form 990–T; and line 31b, Form 1041.
- Section 72 penalty taxes from line 39, Form 1040 and line 42, Form 1040 NR.
- Tax on lump-sum distributions (Form 4972 or Form 5544) from line 39, Form 1040; line 42, Form 1040NR; and line 26b, Form 1041.
- Tax on early distributions from an individual retirement arrangement (IRA) (Part II, Form 5329) from line 57, Form 1040 and line 59, Form 1040NR.
- Advance earned income credit payment received from line 58, Form 1040 and line 60, Form 1040NR.

If you are a nonresident alien, you may not take the credit against the tax imposed on income not effectively connected with a trade or business in the United States. This tax is reported on line 56, Form 1040NR.

If you are liable for the alternative minimum tax (line 53, Form 1040; line 54, Form 1040NR; line 14, Form 990–T; and line 32, Form 1041), you will have to recompute your foreign tax credit. For a discussion of alternative minimum tax and instructions on how to figure the foreign tax credit if you are liable for the tax, see **Publication 909,** Minimum Tax and Alternative Minimum Tax, and the instructions for **Form 6251,** Alternative Minimum Tax Computation.

Part IV.—Summary of Credits from Separate Parts III

Complete this part on only one Form 1116 to summarize the credits you figured on separate Forms 1116. Enter the credits from line 17, Part III, of the separate Forms 1116 on lines 1 through 4 of Part IV, as appropriate. File the other Forms 1116 as attachments.

SCHEDULE A
(Form 1116)
Department of the Treasury
Internal Revenue Service

Schedule of Foreign Taxable Income and Foreign Taxes Paid or Accrued

Individual, Fiduciary, or Nonresident Alien Individual
▶ Attach to Form 1116
▶ See Instructions for Form 1116

OMB No. 1545-0121
1982
52

Name	Identifying number as shown on page 1 of your tax return

Use a separate Form 1116 for each type of income. Check only one box below.

This schedule is being completed for credit for taxes on:

☐ Nonbusiness (section 904(d)) interest income
☐ Dividends from a DISC or former DISC
☐ Foreign oil-related income
☐ All other income from sources outside the U.S. (including income from sources within U.S. possessions)

Note: *If, for the box checked above, you have income from, or have paid taxes to,* **MORE THAN ONE** *foreign country or U.S. possession, you must complete this schedule and attach it to Form 1116.*

Part I Taxable Income from Sources Outside the U.S.

	Foreign Country or U.S. Possession			Total (Add Cols. A, B, and C)
	A	B	C	
Name of Foreign Country or U.S. Possession ▶				
1 Gross income from sources outside the U.S.:				
a Dividends				
b Gross rents and royalties				
c Foreign source capital gain net income				
d Wages, salaries, and other employee compensation				
e Business or profession (sole proprietorship)				
f Gross income from trusts and estates				
g Other (including interest—attach schedule)				
h Add lines 1a through 1g and enter total here ▶				
2 Applicable deductions and losses: (see instructions)				
a Expenses directly allocable to business or profession				
b Depreciation and depletion directly allocable to rent and royalty income				
c Repairs and other expenses directly allocable to rent and royalty income				
d Other expenses directly allocable to specific income items (attach schedule)				
e Pro rata share of all other deductions not directly allocable:				
(i) Itemized deductions (attach schedule)				
(ii) Other deductions (attach schedule)				
(iii) Add lines 2e(i) and 2e(ii)				
(iv) Total foreign source income (see instructions)				
(v) Gross income from all sources (see instructions)				
(vi) Divide line 2e(iv) by line 2e(v)				
(vii) Multiply line 2e(vi) by line 2e(iii)				
f Losses from foreign sources				
g Add lines 2a through 2d, 2e(vii), and 2f. Enter total here ▶				
3 Subtract line 2g from line 1h. Enter here and on Form 1116, Part III, line 6. (This is your taxable income or (loss) from sources outside the U.S. (before recapture of prior year overall foreign losses).) ▶				

Part II Foreign Taxes Paid or Accrued (Attach receipt or copy of return)

Country	1. Credit is claimed for taxes (You must check one.) ☐ Paid ☐ Accrued	2. Foreign Taxes Paid or Accrued						
		In Foreign Currency			In U.S. Dollars			
		Taxes Withheld at Source on:		(c) Other Foreign Taxes Paid or Accrued	Taxes Withheld at Source on:		(f) Other Foreign Taxes Paid or Accrued	(g) Total Foreign Taxes Paid or Accrued (Add Cols. (d), (e), and (f))
	Date Paid or Accrued	(a) Dividends	(b) Rents and Royalties		(d) Dividends	(e) Rents and Royalties		
A								
B								
C								
Total—Add lines A through C column (g). Enter total here and on Form 1116, Part III, line 1 ▶								

For Paperwork Reduction Act Notice, see page 1 of instructions for Form 1116

SCHEDULE A (Form 1118)

Schedule of Foreign Taxable Income and Foreign Taxes Paid or Accrued

[illegible]

1982

[illegible]

Form **1120**
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 1982 or other tax year beginning ...., 1982, ending ...., 19........
▶For Paperwork Reduction Act Notice, see page 1 of the instructions

OMB No. 1545-0123

1982

Check if a—
A. Consolidated return ☐
B. Personal Holding Co. ☐
C. Business Code No. (See page 9 of Instructions)

Use IRS label. Otherwise please print or type.	Name	D. Employer identification number
	Number and street	E. Date incorporated
	City or town, State, and ZIP code	F. Total assets (see Specific Instructions) $

Gross Income

1	(a) Gross receipts or sales $ .... (b) Less returns and allowances $ .... Balance ▶	1(c)	
2	Cost of goods sold (Schedule A) and/or operations (attach schedule)	2	
3	Gross profit (subtract line 2 from line 1(c))	3	
4	Dividends (Schedule C)	4	
5	Interest	5	
6	Gross rents	6	
7	Gross royalties	7	
8	Capital gain net income (attach separate Schedule D)	8	
9	Net gain or (loss) from Form 4797, line 11(a), Part II (attach Form 4797)	9	
10	Other income (see instructions—attach schedule)	10	
11	TOTAL income—Add lines 3 through 10	11	

Deductions

12	Compensation of officers (Schedule E)	12	
13	(a) Salaries and wages .... 13(b) Less jobs credit .... Balance ▶	13(c)	
14	Repairs (see instructions)	14	
15	Bad debts (Schedule F if reserve method is used)	15	
16	Rents	16	
17	Taxes	17	
18	Interest	18	
19	Contributions (not over 10% of line 30 adjusted per instructions)	19	
20	Depreciation (attach Form 4562) ... 20		
21	Less depreciation claimed in Schedule A and elsewhere on return ... 21(a) ( )	21(b)	
22	Depletion	22	
23	Advertising	23	
24	Pension, profit-sharing, etc. plans (see instructions)	24	
25	Employee benefit programs (see instructions)	25	
26	Other deductions (attach schedule)	26	
27	TOTAL deductions—Add lines 12 through 26	27	
28	Taxable income before net operating loss deduction and special deductions (subtract line 27 from line 11)	28	
29	Less: (a) Net operating loss deduction (see instructions—attach schedule) ... 29(a)		
	(b) Special deductions (Schedule C) ... 29(b)	29	
30	Taxable income (subtract line 29 from line 28)	30	

Tax

31	TOTAL TAX (Schedule J)	31	
32	Credits: (a) Overpayment from 1981 allowed as a credit		
	(b) 1982 estimated tax payments		
	(c) Less refund of 1982 estimated tax applied for on Form 4466 ( )		
	(d) Tax deposited: Form 7004 .... Form 7005 (attach) .... Total ▶		
	(e) Credit from regulated investment companies (attach Form 2439)		
	(f) Federal tax on special fuels and oils (attach Form 4136)	32	
33	TAX DUE (subtract line 32 from line 31—If line 32 is greater than line 31, skip line 33 and go to line 34). See instruction C3 for depositary method of payment	33	
	(Check ▶ ☐ if Form 2220 is attached. See instruction D.) ▶ $		
34	OVERPAYMENT (subtract line 31 from line 32)	34	
35	Enter amount of line 34 you want: Credited to 1983 estimated tax ▶ .... Refunded ▶	35	

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature of officer — Date — ▶ Title

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ▶ ☐	Preparer's social security no.
Firm's name (or yours, if self-employed) and address ▶		E.I. No. ▶	
		ZIP code ▶	

Schedule A Cost of Goods Sold (See instructions for Schedule A)

1 Inventory at beginning of year
2 Merchandise bought for manufacture or sale
3 Salaries and wages
4 Other costs (attach schedule)
5 Total—Add lines 1 through 4
6 Inventory at end of year
7 Cost of goods sold—Subtract line 6 from line 5. Enter here and on line 2, page 1

8 (a) Check all methods used for valuing closing inventory:
- (i) ☐ Cost
- (ii) ☐ Lower of cost or market as described in Regulations section 1.471–4 (see instructions)
- (iii) ☐ Writedown of "subnormal" goods as described in Regulations section 1.471–2(c) (see instructions)
- (iv) ☐ Other (Specify method used and attach explanation) ▶

(b) Check if the LIFO inventory method was adopted this tax year for any goods (If checked, attach Form 970.) ☐

(c) If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO

(d) If you are engaged in manufacturing, did you value your inventory using the full absorption method (Regulations section 1.471–11)? ☐ Yes ☐ No

(e) Was there any substantial change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No
If "Yes," attach explanation.

Schedule C Dividends and Special Deductions (See instructions for Schedule C)

	(A) Dividends received	(B) %	(C) Special deductions: multiply (A) × (B)
1 Domestic corporations subject to 85% deduction		85	
2 Certain preferred stock of public utilities		59.13	
3 Foreign corporations subject to 85% deduction		85	
4 Wholly-owned foreign subsidiaries subject to 100% deduction (section 245(b))		100	
5 Total—Add lines 1 through 4. See instructions for limitation			
6 Affiliated groups subject to the 100% deduction (section 243(a)(3))		100	
7 Other dividends from foreign corporations not included in lines 3 and 4			
8 Income from controlled foreign corporations under subpart F (attach Forms 5471)			
9 Foreign dividend gross-up (section 78)			
10 DISC or former DISC dividends not included in line 1 (section 246(d))			
11 Other dividends			
12 Deduction for dividends paid on certain preferred stock of public utilities (see instructions)			
13 Total dividends—Add lines 1 through 11. Enter here and on line 4, page 1 →			
14 Total deductions—Add lines 5, 6 and 12. Enter here and on line 29(b), page 1 →			

Schedule E Compensation of Officers (See instruction for line 12) Complete Schedule E only if your total receipts (line 1(a), plus lines 4 through 10, of page 1, Form 1120) are $150,000 or more.

1. Name of officer	2. Social security number	3. Time devoted to business	Percent of corporation stock owned: 4. Common	Percent of corporation stock owned: 5. Preferred	6. Amount of compensation	7. Expense account allowances
Total compensation of officers—Enter here and on line 12, page 1						

Schedule F Bad Debts—Reserve Method (See instruction for line 15)

1. Year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	Amount added to reserve: 4. Current year's provision	Amount added to reserve: 5. Recoveries	6. Amount charged against reserve	7. Reserve for bad debts at end of year
1977						
1978						
1979						
1980						
1981						
1982						

Schedule J Tax Computation (See instructions for Schedule J on page 7)

Note: ***Fiscal year corporations**, see instructions on page 10. If you are not a member of a controlled group of corporations (sections 1561 and 1563), omit lines 1 and 2, and enter on line 3, the amount from line 44, Part III, of the fiscal year worksheet provided on page 11 of the instructions.*

Calendar year corporations, see instructions for Schedule J on page 7. If you are not a member of a controlled group of corporations (sections 1561 and 1563), omit lines 1 and 2, and start with line 3.

1 Check if you are a member of a controlled group (see sections 1561 and 1563) . . . . ▶ ☐

2 If line 1 is checked, see instructions and enter your portion of the $25,000 amount in each taxable income bracket:

(i) $.................... *(ii)* $.................... *(iii)* $.................... *(iv)* $....................

3 Income tax (see instructions to figure the tax; enter this tax or alternative tax from Schedule D, whichever is less). Check if from Schedule D ▶ ☐ . . . .

4 (a) Foreign tax credit (attach Form 1118) . . . .

(b) Investment credit (attach Form 3468) . . . .

(c) Jobs credit (attach Form 5884) . . . .

(d) Employee stock ownership credit (applies only to fiscal year 1982–83 corporations—see instructions) . . . .

(e) Research credit (attach Form 6765) . . . .

(f) Possessions tax credit (attach Form 5735) . . . .

(g) Alcohol fuel credit (attach Form 6478) . . . .

(h) Credit for fuel produced from a nonconventional source (see instructions) . .

5 Total—Add lines 4(a) through 4(h) . . . .

6 Subtract line 5 from line 3 . . . .

7 Personal holding company tax (attach Schedule PH (Form 1120)) . . . .

8 Tax from recomputing prior-year investment credit (attach Form 4255) . . . .

9 Minimum tax on tax preference items (see instructions—attach Form 4626) . . . .

10 Total tax—Add lines 6 through 9. Enter here and on line 31, page 1 . . . .

Additional Information (See page 8 of instructions)

	Yes	No
G Did you claim a deduction for expenses connected with:		
(1) Entertainment facility (boat, resort, ranch, etc.)?		
(2) Living accommodations (except employees on business)? . .		
(3) Employees attending conventions or meetings outside the North American area? (See section 274(h))		
(4) Employees' families at conventions or meetings?	▨	▨
If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(h))		
(5) Employee or family vacations not reported on Form W–2? . .		
H (1) Did you at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)	▨	▨
If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or (loss) (e.g., if a Form 1120: from Form 1120, line 28, page 1) of such corporation for the tax year ending with or within your tax year; (d) highest amount owed by you to such corporation during the year; and (e) highest amount owed to you by such corporation during the year.	▨	▨
(2) Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of your voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (e)		
(a) Attach a schedule showing name, address, and identifying number.	▨	▨
(b) Enter percentage owned ▶....................	▨	▨
(c) Was the owner of such voting stock a person other than a U.S. person? (See instructions)		
If "Yes," enter owner's country ▶....................	▨	▨
(d) Enter highest amount owed by you to such owner during the year ▶....................	▨	▨
(e) Enter highest amount owed to you by such owner during the year ▶....................	▨	▨
(Note: For purposes of H(1) and H(2), "highest amount owed" includes loans and accounts receivable/payable.)	▨	▨
I Refer to page 9 of instructions and state the principal: Business activity.................... Product or service....................	▨	▨
J Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 5471 for each such corporation		
K At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instructions)?		
L Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it?		
If "Yes," you may have to file Forms 3520, 3520–A or 926.	▨	▨
M During this tax year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your current and accumulated earnings and profits? (See sections 301 and 316)		
If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.	▨	▨
N During this tax year was any part of your tax accounting records maintained on a computerized system?		

READEX FICHE

Schedule L Balance Sheets

	Beginning of tax year		End of tax year	
	(A)	(B)	(C)	(D)
ASSETS				
1 Cash	▨		▨	
2 Trade notes and accounts receivable		▨		▨
(a) Less allowance for bad debts				
3 Inventories	▨		▨	
4 Federal and State government obligations	▨		▨	
5 Other current assets (attach schedule)	▨		▨	
6 Loans to stockholders	▨		▨	
7 Mortgage and real estate loans	▨		▨	
8 Other investments (attach schedule)	▨		▨	
9 Buildings and other depreciable assets		▨		▨
(a) Less accumulated depreciation				
10 Depletable assets		▨		▨
(a) Less accumulated depletion				
11 Land (net of any amortization)	▨		▨	
12 Intangible assets (amortizable only)		▨		▨
(a) Less accumulated amortization				
13 Other assets (attach schedule)	▨		▨	
14 Total assets	▨		▨	
LIABILITIES AND STOCKHOLDERS' EQUITY	▨	▨	▨	▨
15 Accounts payable	▨		▨	
16 Mtges, notes, bonds payable in less than 1 year	▨		▨	
17 Other current liabilities (attach schedule)	▨		▨	
18 Loans from stockholders	▨		▨	
19 Mtges, notes, bonds payable in 1 year or more	▨		▨	
20 Other liabilities (attach schedule)	▨		▨	
21 Capital stock: (a) Preferred stock		▨		▨
(b) Common stock				
22 Paid-in or capital surplus	▨		▨	
23 Retained earnings—Appropriated (attach sch.)	▨		▨	
24 Retained earnings—Unappropriated	▨		▨	
25 Less cost of treasury stock	▨	( )	▨	( )
26 Total liabilities and stockholders' equity	▨		▨	

Schedule M-1 Reconciliation of Income Per Books With Income Per Return

Do not complete this schedule if your total assets (line 14, column (D), above) are less than $25,000.

1 Net income per books		7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax		(a) Tax-exempt interest $	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize)			
5 Expenses recorded on books this year not deducted in this return (itemize)		8 Deductions in this tax return not charged against book income this year (itemize)	
(a) Depreciation $		(a) Depreciation $	
(b) Contributions carryover $		(b) Contributions carryover $	
		9 Total of lines 7 and 8	
6 Total of lines 1 through 5		10 Income (line 28, page 1)—line 6 less 9	

Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (line 24 above)

Do not complete this schedule if your total assets (line 14, column (D), above) are less than $25,000.

1 Balance at beginning of year		5 Distributions: (a) Cash	
2 Net income per books		(b) Stock	
3 Other increases (itemize)		(c) Property	
		6 Other decreases (itemize)	
		7 Total of lines 5 and 6	
4 Total of lines 1, 2, and 3		8 Balance at end of year (line 4 less 7)	

1982

Department of the Treasury
Internal Revenue Service

Instructions for Form 1120 U.S. Corporation Income Tax Return

(References are to the Internal Revenue Code.)

Tax Highlights

Please note these important changes that have been made due to various tax laws. Changes A through C are based on the Economic Recovery Tax Act of 1981. Changes D through I are based on the Tax Equity and Fiscal Responsibility Act of 1982 enacted into law September 3, 1982.

A. Reduction in Corporate Tax Rates

Effective for tax years beginning after 1981, the tax rates are reduced for the two lowest taxable income brackets. For the taxable income bracket of $25,000 or less, the tax rate decreases for 1982, from 17% to 16%, and for 1983, to 15%. For the taxable income bracket over $25,000 but not over $50,000, the tax rate decreases for 1982, from 20% to 19%, and for 1983, to 18%. The remaining tax rates of 30%, 40%, and 46% did not change.

Because of changes in these tax rates, fiscal year 1982–83 corporations must prorate their tax under section 21. Use the worksheet on page 11 of the instructions to make this computation.

B. Depreciation Changes

For tax years beginning after December 31, 1981, you may elect to expense part of the cost (up to $5,000) of certain depreciable property that you bought during the year. See Form 4562, Depreciation and Amortization, for more information.

C. Charitable Contributions

Effective for tax years beginning after 1981, a corporation's maximum charitable contribution deduction will increase from 5% to 10% of its taxable income. See section 170(b)(2).

D. Reduction in Tax Preference Items

Fiscal year corporations (other than subchapter S corporations) may be required to reduce the following tax preference items by 15%: section 1250 capital gain, amortizable basis of pollution control facilities, intangible drilling costs, and mineral exploration and development costs. For more information and effective dates, see section 291.

E. Basis Adjustment for Investment Tax Credits

A taxpayer may be required to reduce the basis of property placed in service after December 31, 1982, by 50 percent of the regular, energy, or certified historic structure investment tax credit taken for the property. See the instructions for Form 3468, Computation of Investment Credit.

F. Leasing

Changes have been made to the safe harbor leasing rules that reduce the tax benefits on leases entered into or property placed in service after July 1, 1982, subject to certain transitional rules and rules for figuring the depreciation for qualified leased property (see sections 168(f) and (l)). The rules for figuring depreciation for property financed by tax-exempt obligations have also changed (see section 168(f)(12)).

G. Targeted Jobs Credit Changes

This credit has been extended to include wages paid to a qualified individual who begins work on or before December 31, 1984. Changes have been made in the certification rules and in the definition of certain targeted groups. For more information, see Form 5884, Jobs Credit (and WIN Credit Carryover).

H. Withholding on Interest and Dividends

Effective July 1, 1983, a corporation that is a payor of interest, dividends, or patronage dividends to certain recipients is required to withhold a tax of 10% on the amount paid. See the 1983 Instructions for Form 1096.

As recipients, however, most corporations are exempt from withholding on their income from these sources. Some withholding may have occurred: if for example, the corporation was a member of a partnership. If the corporation had withholding on its interest, dividend, or patronage dividend income after June 30, 1983, the corporation should include the withheld amount as a credit in the total for line 32(f). In the margin next to the entry on line 32(f), write the amount of the credit and identify it as "section 31(b) credit".

I. Accelerated Tax Payments

To avoid the estimated tax penalty for tax years beginning after December 31, 1982, the amount of estimated tax payments required by a corporation is increased from 80% to 90%. See sections 6655(b)(1) and (d)(3).

For tax years beginning after December 31, 1982, a corporation must pay the amount of unpaid taxes on line 33 within 2½ months after the end of the tax year. The election to pay in two equal installments will no longer be available.

Voluntary Contributions to Reduce the Public Debt

Quite often inquiries are received about how voluntary contributions to reduce the public debt may be made. A corporation may contribute by enclosing a separate check, payable to "Bureau of the Public Debt," with the tax return. These amounts are tax-deductible, subject to the rules and limitations for charitable contributions. Please keep the contribution to reduce the public debt separate from any amount payable with the tax return. Tax remittances should be made payable to "Internal Revenue Service."

General Instructions

Paperwork Reduction Act Notice

The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

A. Purpose

In general, Form 1120 is used to report income, gains, losses, deductions, and credits of U.S. corporations.

B. Filing Form 1120

Who Must File

The organizations listed below must file Form 1120. Note: If an organization more nearly resembles a corporation than a partnership or trust, it will be considered an association taxed as a corporation.

- Domestic corporations, whether or not they have any taxable income, unless exempt under section 501.
- Real estate investment trusts defined in section 856.
- Regulated investment companies defined in section 851.
- Insurance companies described in section 831.

Special Returns for Certain Organizations

Certain organizations, listed below, may have to file special returns.

- Foreign corporations other than life and mutual insurance companies filing Forms 1120L and 1120M: File Form 1120F.

- Life insurance companies (section 802): File Form 1120L.
- Mutual insurance companies (section 821): File Form 1120M.
- Exempt farmers' cooperatives (section 1381): File Form 990–C.
- Exempt organizations with unrelated trade or business income: File Form 990–T.
- Small business corporations (section 1372(a)): File Form 1120S.
- Domestic International Sales Corporations (section 992): File Form 1120–DISC.
- Political organizations (section 527): File Form 1120–POL.
- Homeowners associations (section 528): File Form 1120–H.

When to File

In general, a corporation must file Form 1120 by the 15th day of the 3d month after the end of the tax year. A new corporation filing a short period return must generally file by the 15th day of the 3d month after the short period ends. A corporation that has dissolved must generally file by the 15th day of the 3d month after the date it dissolved.

Extensions.—File Form 7004 to request an automatic 3-month extension of time to file Form 1120.

File Form 7005 to request an additional extension after obtaining an automatic 3-month extension by filing Form 7004.

Period covered.—File the 1982 return for calendar year 1982 and fiscal years that begin in 1982 and end in 1983. For a fiscal year, fill in the tax year space at the top of the form.

Final return.—If the corporation ceases to exist, write "Final return" at the top of the form.

Where to File

If the corporation's principal business, office, or agency is located in	Use the following Internal Revenue Service Center address
New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester	Holtsville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05501
Alabama, Florida, Georgia, Mississippi, South Carolina	Atlanta, GA 31101
Michigan, Ohio	Cincinnati, OH 45999
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
Illinois, Iowa, Missouri, Wisconsin	Kansas City, MO 64999
California, Hawaii	Fresno, CA 93888
Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia	Memphis, TN 37501
Delaware, District of Columbia, Maryland, Pennsylvania	Philadelphia, PA 19255

Corporations having their principal place of business outside the United States or claiming a possessions tax credit (section 936) must file with the Internal Revenue Service Center, Philadelphia, PA 19255.

The separate income tax returns of a group of corporations located in several Service Center regions may be filed with the Service Center for the area in which the principal office of the managing corporation that keeps all the books and records is located.

Signature

The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign. A receiver, trustee, or assignee must sign and date any return required to be filed on behalf of a corporation.

If your corporate officer filled in Form 1120, the Paid Preparer's space under "Signature of officer" should remain blank. If someone prepares Form 1120 and does not charge the corporation, that person should not sign the return. Certain others who prepare Form 1120 should not sign. For example, a regular, full time employee of the corporation such as a clerk, secretary, etc. does not have to sign. (This list is not all inclusive.)

Generally, anyone who is paid to prepare Form 1120 must sign the return and fill in the other blanks in the Paid Preparer's Use Only area of the return.

The preparer required to sign the return MUST complete the required preparer information and:

- Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)
- Give a copy of Form 1120 to the taxpayer in addition to the copy filed with IRS.

Tax return preparers should be familiar with their responsibilities. See **Publication 1045**, Information and Order Blanks for Preparers of Federal Income Tax Returns, for more details.

C. Figuring and Paying the Tax

1. Accounting

Accounting methods.

Taxable income must be computed using the method of accounting regularly used in keeping the corporation's books and records. In all cases, the method adopted must clearly reflect taxable income. (See section 446.)

Corporations engaged in farming operations may be required to use the accrual method of accounting. See section 447 for exceptions to the general rule.

Unless the law specifically permits otherwise, the corporation may change the method of accounting used to report taxable income in earlier years (for income as a whole or for any material item) only by first getting consent on Form 3115, Application for Change in Accounting Method. Also see **Publication 538**, Accounting Periods and Methods.

Change in accounting period.

Before you can change an accounting period, you must get the Commissioner's approval (Regulation section 1.442–1) by filing Form 1128, Application for Change in Accounting Period. Also see **Publication 538**, Accounting Periods and Methods.

2. Rounding Off To Whole-Dollar Amounts

You may show the money items on the return and accompanying schedules as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 cents through 99 cents to the next higher dollar.

3. Depositary Method of Tax Payment

The corporation must pay the tax due either in full when the return is filed, or in two equal installments of the amount on line 33 determined without regard to any Form 2220 penalty. However, if line 33 includes a penalty as reported on Form 2220, that amount should be paid in full at the time the return is filed. The installments are due by the 15th day of the 3d month and the 15th day of the 6th month after the end of the tax year.

Deposit corporation income tax payments (and estimated tax payments) with a preinscribed Federal Tax Deposit (FTD) Form 503. Make these tax deposits with either a financial institution qualified as a depositary for Federal taxes or the Federal Reserve Bank or Branch (FRB) servicing the geographic area where the corporation is located. Records of deposits will be sent to IRS for crediting to the corporation's account. See the instructions on the back of Form 503 for more information and exceptions.

Preinscribed FTD Forms 503 will be mailed to the corporation on a regular basis depending on the corporation's tax year. You may apply for these forms from the Internal Revenue Service Center where the corporation files its return. If you do not have these forms when a deposit is due, mail your payment to the Internal Revenue Service Center where the corporation files its return. When applying for FTD Form 503 (and also when making a deposit without FTD Form 503), include the corporation's name, employer identification number, address, and the tax year to which the deposits relate.

For more information concerning deposits, see **Publication 583**, Information for Business Taxpayers.

4. Estimated Tax

A corporation must make estimated tax payments if it can expect its estimated tax (income tax minus credits) to be $40 or more.

You may use Form 1120–W, Corporation Estimated Tax, as a worksheet to compute estimated tax.

If the corporation overpaid estimated tax, you may be able to get a "quick refund" by filing Form 4466, Corporation Application for Quick Refund of Overpayment of Estimated Tax. The overpayment must be both **1.** at least 10% of expected income tax liability and **2.** at least $500. To apply, you must file Form 4466 within

2½ months after the end of the tax year and before Form 1120 is filed.

D. Penalties

Avoid penalties and interest by correctly filing and paying the tax when due. The corporation may have to pay the following penalties unless it can show that failure to file or to pay was due to reasonable cause and not willful neglect. (These penalties are in addition to the interest charge on unpaid tax at a rate under section 6621.)

- A corporation that fails to file its tax return when due (including any extensions of time for filing) may be subject to a penalty of 5% a month, up to a maximum of 25%, for each month the return is not filed. (The penalty is imposed on the net amount due.) The minimum penalty for failure to file a tax return within 60 days of the due date for filing (including extensions) is the lesser of the underpayment of tax or $100.
- A corporation that fails to pay the tax when due may be subject to a penalty of ½% a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid. (The penalty is imposed on the net amount due.)

A corporation that fails to pay the proper estimated tax when due may be subject to an underpayment penalty for the period of underpayment. For tax years beginning after December 31, 1982, section 6655(i) modifies the exceptions to the penalty in sections 6655(d)(1) and (2), by requiring certain large corporations to make a minimum payment of estimated tax equal to 75% or more of their current year's tax liability to avoid this underpayment penalty.

If the corporation underpaid estimated tax, attach Form 2220, Underpayment of Estimated Tax by Corporations, to show how the corporation figured the penalty or which exceptions the corporation believes it meets. Also be sure to check the box below line 33, Form 1120. If the corporation owes a penalty, enter the amount in the space below line 33.

If there is tax due on line 33, include the amount of the penalty in with the total. If there is a refund due, subtract the amount of the penalty from the overpayment on line 34.

Penalty for Overstated Tax Deposits.—If you overstate your deposits, you may be subject to a penalty. See section 6656(b).

E. Other Forms, Returns, Schedules, and Statements That May Be Required

a. Forms.

The corporation may have to file any of the following:

Forms W-2 and W-3. Wage and Tax Statement; and Transmittal of Income and Tax Statements.

Form W-2P. Statement for Recipients of Periodic Annuities, Pensions, Retired Pay, or IRA Payments.

Forms 1087-DIV, INT, MED, MISC, and OID. Nominees' information returns for reporting dividends, interest, medical and health care payments, miscellaneous income, and original issue discounts that were received as a nominee on behalf of another person.

Form 1096. Annual Summary and Transmittal of U.S. Information Returns.

Form 5452. Corporate Report of Nontaxable Dividends.

Forms 966 and 1099L. Information returns regarding dissolution or liquidation, and distributions in liquidation.

Forms 1099-BCD, DIV, F, INT, MED, MISC, NEC, OID, PATR, and R. Information returns for reporting interest on bearer certificates of deposit, certain dividends and distributions, payments for certain fishing boat crew members, interest income, medical and health care payments, miscellaneous income payments, nonemployee compensation, original issue discount, patronage dividends, and total distributions from profit-sharing plans, retirement plans, and individual retirement arrangements.

Form 5713. International Boycott Report, for persons having operations in or related to "boycotting" countries. In addition, persons who participate in or cooperate with an international boycott, may have to complete Schedule A or Schedule B and Schedule C of Form 5713 to compute their loss of the following items: the foreign tax credit, the deferral of earnings of a controlled foreign corporation, and DISC benefits.

b. Consolidated return.

The parent corporation of an affiliated group of corporations must attach Form 851, Affiliations Schedule, to the consolidated return. For the first year a consolidated return is filed, each subsidiary must attach Form 1122, Authorization and Consent of Subsidiary Corporation to be Included in a Consolidated Income Tax Return.

File supporting statements for each corporation included in the consolidated return. Use columns to show the following, both before and after adjustments:

- Items of gross income and deductions.
- A computation of taxable income.
- Balance sheets as of the beginning and end of the tax year.
- A reconciliation of retained earnings.
- A reconciliation of income per books with income per return.

Attach consolidated balance sheets and a reconciliation of consolidated retained earnings.

c. Real estate investment trusts.

Attach the appropriate schedules. See sections 856–860 for special rules.

d. Statements.

Stock ownership in foreign corporations. Attach the required statement if the corporation owned 5% or more in value of the outstanding stock of a foreign personal holding company. See section 551(c).

A corporation that controls a foreign corporation, or that is a 10%-or-more shareholder of a controlled foreign corporation, may have to file **Form 5471,** Information Return with Respect to a Foreign Corporation.

Transfers to a corporation controlled by the transferor. If a person receives stock or securities of a corporation in exchange for property, and no gain or loss is recognized under section 351, the person (transferor) and the transferee must attach the information required by Regulation section 1.351-3.

Corporations that liquidate within one calendar month under section 333. These corporations must attach a computation of accumulated earnings and profits, including all items of income and expense accrued up to the date the transfer of all property is completed. Use the format in Rev. Proc. 75-17, 1975-1 C.B. 677.

e. Amended return.

Use Form 1120X, Amended U.S. Corporation Income Tax Return, to correct any error in a previously filed income tax return.

f. Financial statements.

Do not complete Schedules M-1 and M-2 or similar statements if your total assets at the end of the tax year (line 14, column (D) of Schedule L) are less than $25,000.

You may use either Schedule L or copies of other balance sheets required by Federal, State, or other authorities. The balance sheets must agree with your books and records. You must reconcile any differences. On line 1 of whatever balance sheet you use, include as cash any certificates of deposit and other cash equivalents.

Banks, insurance companies, and other corporations required to file substantially similar statements of income and expense to any Federal, State, or other authority may file copies of such statements instead of the information required on lines 1 through 30 of Form 1120. Railroads may substitute Form 1090, Statement of Income, and Profit and Loss Accounts. In these cases, use Schedule M-1 to reconcile taxable income with the net profit that is shown on the statement and that would be entered as line 30.

Statements filed under this procedure must contain sufficient information to enable IRS to reconstruct an income and expense statement and a balance sheet similar to that contained on Form 1120, without contacting the taxpayer during processing.

g. Attachments.

If you need more space on forms or schedules, attach separate sheets to the back of Form 1120. Attach schedules in alphabetical order and forms in numerical order. Be sure to put the taxpayer's name and employer identification number (EIN) on each sheet.

Specific Instructions

Employer Identification Number. If the employer identification number (EIN) on the label is wrong or if the corporation did not receive a label, enter the correct number at the top of the return.

A corporation that does not have an EIN should apply for one on Form SS–4, Application for Employer Identification Number. You can get this form at most IRS or Social Security Administration offices. Send Form SS–4 to the same Internal Revenue Service Center to which you send Form 1120. If you have not received the EIN by the filing time for Form 1120, write "Applied for" in the space for the EIN.

For more information concerning an EIN, see **Publication 583,** Information for Business Taxpayers.

Total Assets. Enter the total assets of the corporation. If there are no assets at the end of the tax year, enter the total assets as of the beginning of the tax year.

Gross Income

Line 1

Gross receipts

Enter gross receipts or sales from all business operations except those that must be reported in lines 4 through 10. For reporting advance payments and long-term contracts, see Regulation sections 1.451–3 and 1.451–5.

If the installment method is used, enter on line 1 the gross profit on collections from installment sales, and carry the same amount to line 3. Attach a schedule showing the following for the current year and the 3 preceding years: **a.** gross sales, **b.** cost of goods sold, **c.** gross profits, **d.** percentage of gross profits to gross sales, **e.** amount collected, and **f.** gross profit on amount collected.

Line 2

Cost of goods sold

See the instructions for Schedule A.

Line 4

Dividends

See the instructions for Schedule C.

Line 5

Interest

Enter interest on U.S. obligations and on loans, notes, mortgages, bonds, bank deposits, corporate bonds, tax refunds, etc.

Do not offset interest income against interest expense.

Line 6

Gross rents

Enter the gross amount received for the rent of property. Deduct expenses such as repairs, interest, taxes, and depreciation in the proper lines for deductions.

Line 8

Capital gain net income

Every sale or exchange of a capital asset must be reported in detail on Schedule D, even though no gain or loss is indicated.

If the net long-term capital gain is more than the net short-term capital loss, or if there is only a net long-term capital gain, compute the alternative tax to see if it produces a smaller tax.

Line 9

Net gain or (loss)

Enter the net gain or loss from Form 4797, Supplemental Schedule of Gains and Losses, line 11(a), Part II.

Line 10

Other income

Enter any other taxable income not listed above, and explain its nature on an attached schedule. Examples of other income are recoveries of bad debts deducted in prior years under the specific charge-off method; the amount of credit for alcohol used as fuel (determined without regard to the limitation based on tax) that was entered on Form 6478, Credit for Alcohol Used as Fuel; and refunds of taxes deducted in prior years. Do not offset current year's taxes with tax refunds.

If "other income" consists of only one item, explain what it is in parentheses on line 10.

Deductions

Transaction between related taxpayers. See section 267 for limitation on deductions for unpaid expenses and interest.

Line 12

Compensation of officers

Enter on line 12 the total compensation of officers.

Complete Schedule E only if your total receipts (line 1(a), plus lines 4 through 10, of page 1, Form 1120) are $150,000 or more.

Complete Schedule E, columns 1 through 6, for all officers. The corporation determines who is an officer under the laws of the State where incorporated. Complete Schedule E, column 7 for your six highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance means **1.** amounts, other than compensation, received as advances or reimbursements and **2.** amounts paid by or for the corporation for expenses incurred by or on behalf of an officer. Column 7 does not have to be completed for any officer whose combined amount is less than $50,000.

In a consolidated return, each member of an affiliated group must furnish this information.

Line 13

Salaries and wages

Enter on line 13(a) the amount of total salaries and wages paid or incurred for the tax year. Do not include salaries and wages deducted elsewhere on your return, such as contributions to a Simplified Employee Pension which are deducted on line 24.

Enter on line 13(b) the amount of jobs credit from Form 5884, Jobs Credit (and WIN Credit Carryover).

Line 14

Repairs

Enter the cost of incidental repairs, such as labor and supplies, that do not add to the value of the property or appreciably prolong its life. However, see the instructions for line 20.

Expenditures to remove architectural and transportation barriers to handicapped and elderly. For rules for expenses in tax years beginning before January 1, 1983, to remove architectural and transportation barriers to handicapped and elderly persons, see section 190 and related regulations.

Line 15

Bad debts

Bad debts may be treated in either of two ways: **1.** as a deduction for debts that become worthless in whole or in part, or **2.** as a deduction for a reasonable addition to a reserve for bad debts. (See section 166.)

Use Form 3115 if you want to apply for a change in the method of computing bad debts.

Line 17

Taxes

Enter taxes paid or accrued during the tax year.

Do not include the following: **1.** Federal income taxes; **2.** foreign or U.S. possession income taxes if a tax credit is claimed; or **3.** taxes not imposed on the corporation.

See section 164(d) for apportionment of taxes on real property between seller and purchaser.

Line 18

Interest

Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (For exceptions, see section 265(2).)

Mutual savings banks, building and loan associations, and cooperative banks can deduct the amounts paid or credited to the accounts of depositors as dividends, interest, or earnings. (See section 591.)

Generally, a cash basis taxpayer cannot deduct prepaid interest allocable to years following the current tax year. For example, a cash basis calendar year taxpayer, who in 1982 prepaid interest allocable to any period after 1982, can deduct only the amount allocable to 1982. Please see **Publication 545,** Interest Expense.

Generally, for positions established after June 23, 1981, the interest and carrying charges on straddles can not be deducted and must be capitalized. See section 263(g).

Line 19

Contributions

Enter contributions or gifts actually paid within the tax year to or for the use of charitable and governmental organizations described in section 170(c) and any unused contributions carried over from prior years.

The total amount claimed may not be more than 10% of taxable income (line 30) computed without regard to the following: 1. any deduction for contributions; 2. the special deductions in line 29(b); 3. deductions allowed under sections 249 and 250; 4. any net operating loss carryback to the tax year under section 172; and 5. any capital loss carryback to the tax year under section 1212(a)(1).

Charitable contributions over the 10% limitation may not be deducted for the tax year but may be carried over to the next 5 tax years.

A contribution carryover is not allowed, however, to the extent that it increases a net operating loss carryover. See section 170(d)(2)(B).

Corporations on the accrual basis may elect to deduct contributions paid by the 15th day of the 3d month after the end of the tax year if the contributions are authorized by the board of directors during the tax year. Attach to the return a declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the tax year. Also attach a copy of the resolution.

If a contribution is in property other than money, attach a schedule describing the kind of property contributed and the method used in determining its fair market value. If you made a "qualified conservation contribution" under section 170(h), also include the fair market value of the underlying property before and after the donation, the type of legal interest contributed, and describe the conservation purpose furthered by the donation.

If a contribution carryover is included, show the amount and how it was determined.

Special rule for contributions of certain property. For a charitable contribution of property, you must reduce the contribution by the sum of:

1. the *ordinary income, short-term* capital gain and
2. for certain contributions, 60.87% of the long-term capital gain,

that would have resulted if the property were sold at its fair market value. The reduction for 60.87% of the long-term capital gain applies to 1. contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and 2. contributions of any property to or for the use of certain private foundations. (See section 170(e) and Regulation section 1.170A–4.)

For special rules for contributions of inventory and other property to certain organizations, see section 170(e)(3) and Regulation section 1.170A–4A.

Charitable Contributions of Scientific Property Used for Research. Effective August 14, 1981, a corporation (other than a personal holding company or a service organization) can receive a larger deduction for contributing scientific property used for research to an institution of higher education. For further information, see section 170(e).

Line 20

Depreciation

Besides depreciation, include in line 20 part of the cost (up to $5,000) you elect to expense of certain recovery property placed in service during tax year 1982. See the instructions for Form 4562, Depreciation and Amortization.

Line 22

Depletion

See sections 613 and 613A for percentage depletion rates applicable to natural deposits.

Attach Form T (Timber), Forest Industries Schedules, if you claim a deduction for depletion of timber.

Line 24

Pension, profit-sharing, etc., plans

Employers who maintain a pension, profit-sharing, or other funded deferred compensation plan whether or not qualified under the Internal Revenue Code and whether or not a deduction is claimed for the current tax year, generally are required to file one of the forms described below. The Employee Retirement Income Security Act of 1974 imposes penalties for failure to timely file these forms.

Form 5500.—Complete this form for each plan with 100 or more participants.

Form 5500–C or 5500–R.—Complete the applicable form for each plan with fewer than 100 participants.

Note: *Only one return is required to be filed for a multiemployer-collectively-bargained plan. Contributing employers are not required to file separately.*

Line 25

Employee benefit programs

Enter the amount of contributions to employee benefit programs (for example, insurance, health and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included on line 24. Also include contributions to a qualified group legal services plan. Section 120 imposes certain rules on an employer which will permit employees (including spouses and dependents) to exclude from income employer contributions to a qualified group legal services plan.

Line 26

Other deductions

Include in line 26 the deduction taken for amortization. See Form 4562.

Generally, you may not take a deduction for the amount of any item or part of it allocable to a class of exempt income. (See section 265(2) for exceptions.)

If patronage dividends are included in line 26, show this deduction and any other deduction not listed above on an attached schedule.

Generally, you can deduct all ordinary and necessary travel and entertainment expenses paid or incurred in your trade or business. However, you cannot deduct an expense paid or incurred for a facility (such as a yacht or hunting lodge) that is used for an activity that is usually considered entertainment, amusement, or recreation. (Note: you may be able to deduct the expense if the amount is treated as compensation and reported on Form W–2 for an employee or Form 1099–NEC for an independent contractor).

See Publication 463, Travel, Entertainment, and Gift Expenses, for more details.

Note: *You cannot deduct penalties imposed on corporations such as those included in General Instruction D.*

Line 28

Taxable income before NOL deduction and special deductions

Special "at risk" rules under section 465 generally apply to closely held corporations engaged in any activity as a trade or business or for the production of income. Such corporations may have to adjust the amount on line 28. See below. However, the "at risk" rules do not apply to 1. holding real property other than mineral property and 2. equipment leasing under section 465(c)(4), (5), and (6). These "at risk" rules apply to a closely held corporation that may or may not be a personal holding company.

A closely held corporation that is NOT a personal holding company. Adjust the amount on line 28 for section 465(d) losses. These losses are limited to the amount for which the closely held corporation is "at risk" for each separate activity at the close of the tax year.

For a corporation involved in more than one activity that incurs a loss for the year, report each loss separately. Attach a schedule reflecting the amount "at risk" and gross income and deductions for each activity that has a loss.

If the corporation sells or otherwise disposes of an asset or its interest (either total or partial) in an activity to which the "at risk" rules apply, determine the net profit or loss from the activity by combining the gain or loss on the sale or disposition with the profit or loss from the activity. If the corporation has a net loss, it may be limited because of the "at risk" rule.

Treat any loss from an activity not allowed for the tax year as a deduction allocable to the activity in the next tax year.

A closely held corporation that is a personal holding company. For the amount to enter on line 28, see Schedule PH (Form 1120), Specific Instructions for line 1, regarding section 465 losses.

Line 29(a)

Net operating loss deduction

The "net operating loss deduction" is the sum of the net operating loss carryovers and carrybacks to the tax year. (Section 172(a).)

Generally, you may carry a net operating loss back to each of the 3 years preceding the year of the loss and carry it over to each of the 15 years following the year of the loss. You may carry back 10 years the part of the net operating loss attributable to a product liability loss. (See section 172(b)(1)(H).) There is also an available election to carry a net operating loss over to just each of the 15 years following the year of the loss. You may make the election by attaching a statement to a return that is filed on time (including extensions.) The election is irrevocable. After applying the net operating loss to the first tax year to which it may be carried, the portion of the loss you may carry to each of the remaining tax years is the excess, if any, of the loss over the sum of the taxable income for each of the prior tax years to which you may carry the loss. (See section 172(b).)

If there is a carryback of a net operating loss, net capital loss, an unused investment credit, unused work incentive (WIN) credit, or unused jobs credit, file Form 1139, Corporation Application for Tentative Refund, within 12 months after the close of the tax year for a "quick refund" of taxes. (See section 6411.)

See section 172 for special rules, limitations, and definitions pertaining to net operating loss carrybacks and carryovers. Also see **Publication 536**, Net Operating Losses and the At-Risk Limits.

Line 29(b)

Special deductions

See the instructions for Schedule C.

Lines 32(e) and 32(f)

Credit for overpaid windfall profit tax

A corporation that has overpaid its windfall profit tax may claim a credit on its income tax return. Use Form 6249, Computation of Overpaid Windfall Profit Tax, to figure the credit. Include the amount of the credit in the total for line 32(e). Write in the margin, next to the entry on line 32(e), the amount of the credit and identify it as "Overpaid Windfall Profit Tax."

Credit for withholding on interest and dividends

A fiscal year corporation, whose tax year ends after June 30, 1983, can take a credit for the amount of tax withheld under section 3451 from interest, dividend, or patronage dividend income paid or credited after June 30, 1983, by a payor. Include the amount of the credit in the total for line 32(f). In the margin, next to the entry on line 32(f), write the amount of the credit and identify it as "section 31(b) credit".

Schedule A

Cost of Goods Sold

Valuation Methods. Your inventories can be valued at: **1.** cost; **2.** cost or market value (whichever is lower); or **3.** any other method that is approved by the Commissioner of Internal Revenue and that conforms to the provisions of the applicable regulations cited below.

Taxpayers using erroneous valuation methods must change to a method permitted for Federal income tax purposes. Such change should be made by filing Form 3115. For more information about the change, see Regulation section 1.446–1(e)(3) and Rev. Proc. 80–51, 1980–2 C.B. 818.

In line 8(a), check the method(s) used for valuing inventories. Under "lower of cost or market," market generally applies to normal market conditions where there is a current bid price prevailing at the date the inventory is valued. When no regular open market exists or when quotations are nominal because of inactive market conditions, use fair market prices from the most reliable sales or purchase transactions that occurred near the date the inventory is valued. For more requirements, see Regulation section 1.471–4.

Inventory may be valued below cost when the merchandise is **1.** unsalable at normal prices or **2.** unusable in the normal way because the goods are "subnormal" (that is because of damage, imperfections, shop wear, etc.) within the meaning of Regulation section 1.471–2(c). Such goods may be valued at a current bona fide selling price minus direct cost of disposition (but not less than scrap value) if you can establish such a price. See Regulation section 1.471–2(c) for more requirements.

If this is the first year the "Last-in First-out" (LIFO) inventory method was either: adopted or extended to inventory goods not previously valued under the LIFO method, provided in section 472, attach Form 970, Application to Use LIFO Inventory Methods, or a statement with the information required by Form 970. Also check the LIFO box in line 8(b). Enter the amount or percent of total closing inventories covered under section 472 in line 8(c). Estimates are acceptable.

Full absorption method of inventory costing. For a corporation engaged in manufacturing or production operations, use the full absorption method of inventory costing. If the corporation is not using the full absorption method, it must change to it. Under this method both direct and certain indirect production costs are included for inventory valuation purposes. You may change to full absorption by filing Form 3115. For more details, see Rev. Proc. 75–40, 1975–2 C.B. 571 and Regulation section 1.471–11.

Cost of operations (where inventories are not an income-determining factor). If the amount on line 2 includes an amount applicable to cost of operations, attach a schedule showing **1.** salaries and wages and **2.** other costs in detail.

For certain cooperatives, if per unit retain allocations (defined under section 1388(f)) are included on line 4, Schedule A, show this cost and any other costs not included in lines 1 through 3 on an attached schedule to Form 1120.

Schedule C

Dividends and Special Deductions

Line 1, Column (A)

Enter dividends that are received from domestic corporations subject to income tax and that are subject to the 85% deduction under section 243(a)(1). Include on this line taxable distributions from a DISC or former DISC that are designated as being eligible for the 85% deduction.

Small business investment companies must enter dividends received from domestic corporations subject to income tax even though a deduction is allowed for the entire amount of such dividends in line 1 of column (C). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

So-called dividends or earnings received from mutual savings banks, etc., are really interest. Do not treat them as dividends.

Line 2, Column (A)

Enter dividends received on the preferred stock of a public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

Line 3, Column (A)

Enter dividends that are received from foreign corporations and that qualify for the 85% deduction provided in section 245(a).

Line 4, Column (A)

Enter dividends that are received from wholly-owned foreign subsidaries and that are eligible for the 100% deduction provided in section 245(b).

In general, this deduction applies to dividends paid out of the earnings and profits of a foreign corporation for a tax year during which **1.** all of its outstanding stock is owned (directly or indirectly) by the domestic corporation receiving the dividends and **2.** all of its gross income from all sources is effectively connected with the conduct of a trade or business within the U.S.

Lines 1, 2, 3, 4, Column (C)

A small business investment company operating under the Small Business Investment Act of 1958 may deduct 100% of dividends received from domestic corporations subject to income tax. (Section 243(a)(2).)

No deduction is allowed under section 243 for a dividend from a DISC or former DISC (as defined in section 992(a)) to the extent the dividend **1.** is paid out of the corporation's accumulated DISC income or previously taxed income, or **2.** is a deemed distribution under section 995 (b)(1).

In general, no dividends-received deduction will be allowed on any share of stock **1.** that is disposed of if the corporation held it 15 days or less, or **2.** to the extent the corporation is under an obligation to make corresponding payments for substantially identical stock or securities.

Line 5, Column (C)

Limitation on dividends-received deduction. Line 5 of column (C) may not be more than 85% of line 28, page 1, Form 1120, minus line 6 of column (C). For this purpose, compute line 28 (Form 1120) without regard to any capital loss carryback to the tax year under section 1212(a)(1).

In a year in which a net operating loss occurs, this 85% limitation does not apply even if the loss is created by the dividends-received deduction. (See sections 172(d) and 246(b).)

For a small business investment company, the dividends-received deduction of 100% included in line 5 of column (C) is not subject to the overall 85% limitation.

Financial institutions should see section 596 for the special limitation on the dividends-received deduction.

Line 6, Columns (A) and (C)

Enter only those dividends that are subject to the elective provisions of section 243(b) and that are entitled to the 100% dividends-received deduction under section 243(a)(3). Corporations making this election are subject to the provisions of section 1561.

Line 7, Column (A)

Enter foreign dividends not reportable on lines 3 and 4 of column (A). Exclude distributions of amounts constructively taxed in the current year or in prior years under subpart F (sections 951–964).

Line 8, Column (A)

Include income constructively received from controlled foreign corporations under subpart F. This amount should equal the total of amounts reported in line 5, Schedule J, Form(s) 5471.

Line 9, Column (A)

Include gross-up for taxes deemed paid under sections 902 and 960.

Line 10, Column (A)

Enter taxable distributions from a DISC or former DISC that are designated as not being eligible for the 85% deduction.

Line 11, Column (A)

Include the following:

1. Dividends (other than capital gain dividends and exempt interest dividends) that are received from regulated investment companies and that are not subject to the 85% deduction.
2. Dividends from tax-exempt organizations.
3. Dividends (other than capital gain dividends) received from a real estate investment trust which, for the tax year of the trust in which the dividends are paid, qualify under sections 856–860.
4. Dividends not eligible for a dividends-received deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to similar stock.
5. Any other taxable dividend income not properly reported above. If patronage dividends or per-unit retain allocations are included in Schedule C, line 11, column (A), identify the total of these amounts in a schedule attached to Form 1120.

Line 12, Column (C)

Deduction for dividends paid on certain preferred stock of public utilities. Section 247 allows public utilities a deduction of 30.435% of either 1. dividends paid on their preferred stock during the tax year, or 2. taxable income computed without regard to this deduction, whichever is less. In a year in which a net operating loss occurs, compute the deduction without regard to section 247(a)(1)(B). (See section 172(d).)

Schedule J

Tax Computation

Fiscal year 1982–83 corporations must use the worksheet on page 11 of the instructions to compute their tax.

A 1982 calendar year corporation that is not a member of a controlled group (these members should see *lines 1 and 2 below*) will compute the tax on its taxable income as follows:

If the amount on Form 1120, Line 30, Page 1 is:		Enter on Form 1120, Schedule J, Line 3:	
Over—	But not over—		Of the amount over—
0	$25,000	16%	0
$25,000	50,000	$4,000+19%	$25,000
50,000	75,000	8,750+30%	50,000
75,000	100,000	16,250+40%	75,000
100,000	....	26,250+46%	100,000

If the alternative tax does not apply, enter on line 3 of Schedule J, the amount computed above. If the alternative tax applies, see Schedule D (Form 1120).

(Personal holding companies—see Schedule PH (Form 1120) before completing Schedule J.)

Lines 1 and 2

Members of a controlled group, as defined in section 1563, are entitled to only one $25,000 amount in each taxable income bracket.

When a controlled group adopts or later amends an apportionment plan, each member must attach to its tax return a copy of its consent to this plan. The copy (or an attached statement) must show the part of the $25,000 in each taxable income bracket apportioned to that member. There are other requirements as well. See Regulation section 1.1561–3(b) for them and for the time and manner of making the consent.

Equal Apportionment Plan. If no apportionment plan is adopted, the members of the controlled group must divide the $25,000 in each taxable income bracket equally among themselves. For example, controlled group AB consists of corporation A and corporation B. They do not elect an unequal apportionment plan. Therefore, corporation A is entitled to $12,500 (one-half of $25,000) in each taxable income bracket. Corporation B is also entitled to $12,500 in each taxable income bracket.

Unequal Apportionment Plan. Members of a controlled group may elect an unequal apportionment plan and divide the $25,000 in each taxable income bracket as they wish. There is no need for consistency between taxable income brackets. Any member of the controlled group may be entitled to all, some, or none of the $25,000 in a taxable income bracket. (But the total amount for all members of the controlled group cannot be more than $25,000 in any taxable income bracket.) Each member of a controlled group must compute the tax as follows:

Note: *If alternative tax applies, 1982 calendar year corporations should do the following: (1) Complete lines 1 and 2 of Schedule J. (2) On line 1 below, instead of entering amount from line 30, page 1, Form 1120, enter amount from line 14, Schedule D. (3) Complete lines 2 through 15 below, and, (4) Enter amount from line 15 below on line 15 of Schedule D and complete balance of Schedule D.*

1. Enter taxable income (line 30, page 1) ____________
2. Enter line 1 or your portion of the first $25,000 taxable income bracket, whichever is less .... ____________
3. Subtract line 2 from line 1 .... ____________
4. Enter line 3 or your portion of the second $25,000 taxable income bracket, whichever is less .... ____________
5. Subtract line 4 from line 3 .... ____________
6. Enter line 5 or your portion of the third $25,000 taxable income bracket, whichever is less .... ____________
7. Subtract line 6 from line 5 .... ____________
8. Enter line 7 or your portion of the fourth $25,000 taxable income bracket, whichever is less .... ____________
9. Subtract line 8 from line 7 .... ____________
10. 16% of line 2 .... ____________
11. 19% of line 4 .... ____________
12. 30% of line 6 .... ____________
13. 40% of line 8 .... ____________
14. 46% of line 9 .... ____________
15. Total of lines 10 through 14. Enter this amount on line 3 of Schedule J. ____________

Line 3

Bank Holding Companies.—Section 6158 provides that a bank holding company may elect to pay in installments the tax attributable to the sale of certain assets whose divestiture is certified by the Board of Governors of the Federal Reserve System. If the bank holding company chooses this election, attach a statement showing the tax computation and the amount of the installment paid with this return. Also, in the right-hand margin next to line 3, Schedule J, enter the amount of the installment payment followed by the words "computed under section 6158." If an election under section 1103(g) or (h) applies, enter the words "section 1103(g) election" or "section 1103(h) election," as the case may be.

Mutual savings banks conducting life insurance business. The tax under section 594 consists of the sum of 1. a partial tax computed on Form 1120 on the taxable income of the bank determined without regard to income or deductions allocable to the life insurance department, and 2. a partial tax on the taxable income computed on Form 1120L of the life insurance department. Enter the combined tax on line 3 of Schedule J, Form 1120. Attach Form 1120L as a schedule and identify it as such.

Line 4(b)

Investment credit. If your corporation invested in certain types of trade or business property, or qualified energy property, you may be able to take the investment credit, or the energy investment credit, or both credits.

Use Form 3468, Computation of Investment Credit, to figure these credits.

Line 4(c)

Jobs credit. The jobs credit, if elected, is allowed for hiring members of targeted groups during the tax year. Generally, the allowable credit is equal to 50% of qualified first-year wages paid or incurred and 25% of qualified second-year wages paid or incurred. See Form 5884, Jobs Credit (and WIN Credit Carryover) for definitions, special rules, and limitations. Also see **Publication 906**, Jobs and Research Credits.

Do not take an expense deduction for the part of the wages or salaries paid or incurred which is equal to the amount of the jobs credit (determined without regard to the limitation based on the tax (section 53)).

Any WIN credit carryover should be claimed with the jobs credit. See the instructions for Form 5884 for more information.

Line 4(d)

Employee stock ownership credit. For tax years ending after December 31, 1982, corporations may take a tax credit equal to the value of employer stock (or money used to buy stock) that they contribute to a tax credit Employee Stock Ownership Plan (ESOP). The credit is limited to a percentage of the total compensation of participating employees. See Form 8007, Credit for Employee Stock Ownership Plan, for definitions, limitations and the computation of the credit.

Line 4(e)

Research credit. Amounts paid or incurred before January 1, 1986, for qualified research expenses in carrying on a trade or business are allowed as a credit. Use Form 6765, Credit for Increasing Research Activities, to figure the credit.

Line 4(f)

Possessions tax credit. See Form 5712, Election to be Treated as a Possessions Corporation Under Section 936, for rules on how to elect to claim the possessions tax credit (section 936). Compute the credit on Form 5735, Computation of Possessions Corporation Tax Credit Allowed Under Section 936.

Line 4(g)

Alcohol fuel credit. You may be able to take a credit for alcohol used as fuel. This applies to straight alcohol you sell at retail or use as fuel in your trade or business. It also applies to an alcohol mixture you sell or use as fuel in your trade or business. Use Form 6478, Credit for Alcohol Used As Fuel, to figure the credit.

Line 4(h)

Credit for fuel produced from a nonconventional source. A credit is allowed for the sale of qualified fuels produced from a nonconventional source. Section 44D contains a definition of qualified fuels, provisions for figuring the credit, and other special rules. Attach a separate schedule to your return showing the computation of the credit.

Line 8

Tax from recomputing prior-year investment credit. If property is disposed of or ceases to be qualified property before the end of life-years used in computing the regular or energy investment credit, you may have to recapture the credit. (See Form 4255, Recapture of Investment.)

Line 9

Minimum tax. Attach Form 4626, Computation of Minimum Tax—Corporations and Fiduciaries, if the corporation has tax preference items in excess of $10,000, OR if there is any minimum tax liability deferred from a prior tax year.

Line 10

Real estate investment trust excise tax. An excise tax is imposed on certain real estate investment trust taxable income not distributed during the tax year (section 4981). Attach a copy of your tax computation and include the amount of tax in the total for line 10, Schedule J (Form 1120). Write in the margin, next to the entry on line 10, the amount of the tax and identify it as "section 4981 tax."

Schedule M-2

Unappropriated Retained Earnings

Line 5

Distributions under the Bank Holding Company Act. If an election under section 1103(g) or (h) applies to a section 1101 distribution, the bank holding company making the distribution must enter the words "section 1103(g) election" or "section 1103(h) election," as the case may be, in the right-hand margin next to line 5, Schedule M-2 (Form 1120).

Additional Information

Be sure to answer questions G through N on page 3, Form 1120. The instructions that follow are keyed to these questions.

Question H(2)(c).

U.S. person

The term "U.S. person" means: 1. a citizen or resident of the United States; 2. a domestic partnership; 3. a domestic corporation; or 4. any estate or trust (other than a foreign estate or trust within the meaning of section 7701(a)(31)).

"Owner's country," for individuals, is the owner's country of residence. For all others, it is the country where incorporated, organized, created, or administered.

Question K.

Foreign financial accounts

Check the Yes box if either 1. or 2. below applies to you. Otherwise, check the No box.

1. At any time during the year you had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country AND

- The combined value of the accounts was more than $1,000 at any time during the year; AND
- The account was NOT with a U.S. military banking facility operated by a U.S. financial institution.

2. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get Form 90–22.1, Report of Foreign Bank and Financial Accounts, to see if you are considered to have an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.

If you checked Yes for Question K, file Form 90–22.1 by June 30, 1983, with the Department of the Treasury at the address shown on the form. Form 90–22.1 is not a tax return, so do not file it with the IRS.

You can get Form 90–22.1 from many IRS offices.

Codes for Principal Business Activity

These industry titles and definitions are based, in general, on the Standard Industrial Classification System authorized by Regulatory and Statistical Analysis Division, Office of Information and Regulatory Affairs, Office of Management and Budget, to classify enterprises by type of activity in which they are engaged.

Using the list below, enter on page 1, under C, the code number for the specific industry group from which the largest percentage of "total receipts" is derived. "Total receipts" means gross receipts (line 1(a), page 1) plus all other income (lines 4 through 10, page 1).

On page 3, under I, state the principal business activity and principal product or service that account for the largest percentage of total receipts. For example, if the principal business activity is "Grain mill products," the principal product or service may be "Cereal preparations."

Agriculture, Forestry, and Fishing

Code	
0400	Agricultural production.
0600	Agricultural services (except veterinarians), forestry, fishing, hunting, and trapping.

Mining

	Metal mining:
1010	Iron ores.
1070	Copper, lead and zinc, gold and silver ores.
1098	Other metal mining.
1150	**Coal mining.**
	Oil and gas extraction:
1330	Crude petroleum, natural gas, and natural gas liquids.
1380	Oil and gas field services.
	Nonmetallic minerals, except fuels:
1430	Dimension, crushed and broken stone; sand and gravel.
1498	Other nonmetallic minerals, except fuels.

Construction

	General building contractors and operative builders:
1510	General building contractors.
1531	Operative builders.
1600	**Heavy construction contractors.**
	Special trade contractors:
1711	Plumbing, heating, and air conditioning.
1731	Electrical work.
1798	Other special trade contractors.

Manufacturing

Code	
	Food and kindred products:
2010	Meat products.
2020	Dairy products.
2030	Preserved fruits and vegetables.
2040	Grain mill products.
2050	Bakery products.
2060	Sugar and confectionery products.
2081	Malt liquors and malt.
2088	Alcoholic beverages, except malt liquors and malt.
2089	Bottled soft drinks, and flavorings.
2096	Other food and kindred products.
2100	**Tobacco manufacturers.**
	Textile mill products:
2228	Weaving mills and textile finishing.
2250	Knitting mills.
2298	Other textile mill products.
	Apparel and other textile products:
2315	Men's and boys' clothing.
2345	Women's and children's clothing.
2388	Other apparel and accessories.
2390	Miscellaneous fabricated textile products.
	Lumber and wood products:
2415	Logging, sawmills, and planing mills.
2430	Millwork, plywood, and related products.
2498	Other wood products, including wood buildings and mobile homes.
2500	**Furniture and fixtures.**
	Paper and allied products:
2625	Pulp, paper, and board mills.
2699	Other paper products.
	Printing and publishing:
2710	Newspapers.
2720	Periodicals.
2735	Books, greeting cards, and miscellaneous publishing.
2799	Commercial and other printing, and printing trade services.
	Chemicals and allied products:
2815	Industrial chemicals, plastics materials and synthetics.
2830	Drugs.
2840	Soap, cleaners, and toilet goods.
2850	Paints and allied products.
2898	Agricultural and other chemical products.
	Petroleum refining and related industries (including those integrated with extraction):
2910	Petroleum refining (including integrated).
2998	Other petroleum and coal products.
	Rubber and misc. plastics products:
3050	Rubber products; plastics footwear, hose and belting.
3070	Misc. plastics products.
	Leather and leather products:
3140	Footwear, except rubber.
3198	Other leather and leather products.
	Stone, clay, and glass products:
3225	Glass products.
3240	Cement, hydraulic.
3270	Concrete, gypsum, and plaster products.
3298	Other nonmetallic mineral products.
	Primary metal industries:
3370	Ferrous metal industries; misc. primary metal products.
3380	Nonferrous metal industries.
	Fabricated metal products:
3410	Metal cans and shipping containers.
3428	Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products.
3430	Plumbing and heating, except electric and warm air.
3440	Fabricated structural metal products.
3460	Metal forgings and stampings.
3470	Coating, engraving, and allied services.
3480	Ordnance and accessories, except vehicles and guided missiles.
3490	Misc. fabricated metal products.
	Machinery, except electrical:
3520	Farm machinery.
3530	Construction and related machinery.
3540	Metalworking machinery.
3550	Special industry machinery.
3560	General industrial machinery.
3570	Office, computing, and accounting machines.
3598	Other machinery except electrical.
	Electrical and electronic equipment:
3630	Household appliances.
3665	Radio, television, and communication equipment.
3670	Electronic components and accessories.
3698	Other electrical equipment.
3710	**Motor vehicles and equipment**
	Transportation equipment, except motor vehicles:
3725	Aircraft, guided missiles and parts.
3730	Ship and boat building and repairing
3798	Other transportation equipment, except motor vehicles.
	Instruments and related products:
3815	Scientific instruments and measuring devices; watches and clocks.
3845	Optical, medical, and ophthalmic goods
3860	Photographic equipment and supplies.

Code	
3998	**Other manufacturing products.**

Transportation and Public Utilities

	Transportation:
4000	Railroad transportation.
4100	Local and interurban passenger transit.
4200	Trucking and warehousing.
4400	Water transportation.
4500	Transportation by air.
4600	Pipe lines, except natural gas.
4700	Miscellaneous transportation services.
	Communication:
4825	Telephone, telegraph, and other communication services.
4830	Radio and television broadcasting.
	Electric, gas, and sanitary services:
4910	Electric services.
4920	Gas production and distribution.
4930	Combination utility services.
4990	Water supply and other sanitary services.

Wholesale Trade

	Durable:
5008	Machinery, equipment, and supplies.
5010	Motor vehicles and automotive equipment.
5020	Furniture and home furnishings.
5030	Lumber and construction materials.
5040	Sporting, recreational photographic, and hobby goods, toys and supplies.
5050	Metals and minerals, except petroleum and scrap.
5060	Electrical goods.
5070	Hardware, plumbing and heating equipment and supplies.
5098	Other durable goods.
	Nondurable:
5110	Paper and paper products.
5129	Drugs, drug proprietaries, and druggists' sundries.
5130	Apparel, piece goods, and notions.
5140	Groceries and related products.
5150	Farm-product raw materials.
5160	Chemicals and allied products.
5170	Petroleum and petroleum products.
5180	Alcoholic beverages.
5190	Misc. nondurable goods.

Retail Trade

	Building materials, garden supplies, and mobile home dealers:
5220	Building materials dealers.
5251	Hardware stores.
5265	Garden supplies and mobile home dealers.
5300	**General merchandise stores.**
	Food stores:
5410	Grocery stores.
5490	Other food stores.
	Automotive dealers and service stations:
5515	Motor vehicle dealers.
5541	Gasoline service stations.
5598	Other automotive dealers.
5600	**Apparel and accessory stores.**
5700	**Furniture and home furnishings stores.**
5800	**Eating and drinking places.**
	Misc. retail stores:
5912	Drug stores and proprietary stores.
5921	Liquor stores.
5995	Other retail stores.

Finance, Insurance, and Real Estate

Code	
	Banking:
6030	Mutual savings banks.
6060	Bank holding companies.
6090	Banks, except mutual savings banks and bank holding companies.
	Credit agencies other than banks:
6120	Savings and loan associations.
6140	Personal credit institutions.
6150	Business credit institutions.
6199	Other credit agencies.
	Security, commodity brokers, and services:
6210	Security brokers, dealers, and flotation companies.
6299	Commodity contracts brokers and dealers; security and commodity exchanges; and allied services.
	Insurance:
6355	Life insurance.
6356	Mutual insurance, except life or marine and certain fire or flood insurance companies.
6359	Other insurance companies.
6411	**Insurance agents, brokers, and service.**
	Real estate:
6511	Real estate operators and lessors of buildings.
6516	Lessors of mining, oil, and similar property.
6518	Lessors of railroad property and other real property.
6530	Condominium management and cooperative housing associations.
6550	Subdividers and developers.
6599	Other real estate.
	Holding and other investment companies, except bank holding companies:
6742	Regulated investment companies.
6743	Real estate investment trusts.
6744	Small business investment companies.
6749	Other holding and investment companies except bank holding companies.

Services

7000	**Hotels and other lodging places.**
7200	**Personal services.**
	Business services:
7310	Advertising.
7389	Business services, except advertising.
	Auto repair; miscellaneous repair services:
7500	Auto repair and services.
7600	Misc. repair services.
	Amusement and recreation services:
7812	Motion picture production, distribution, and services.
7830	Motion picture theaters.
7900	Amusement and recreation services, except motion pictures.
	Other services:
8015	Offices of physicians, including osteopathic physicians.
8021	Offices of dentists.
8040	Offices of other health practitioners.
8050	Nursing and personal care facilities.
8060	Hospitals.
8071	Medical laboratories.
8099	Other medical services.
8111	Legal services.
8200	Educational services.
8300	Social services.
8600	Membership organizations.
8911	Architectural and engineering services.
8930	Accounting, auditing, and bookkeeping.
8980	Miscellaneous services (including veterinarians).

General Instructions for Fiscal Year 1982–83 Corporations

Purpose of Worksheet on page 11

Effective for tax years beginning after 1982, the Economic Recovery Tax Act of 1981 reduced the corporate tax rates. This will result in a lower tax liability. The tax rates changed from 16% of the first $25,000 of taxable income, 19% of the next $25,000 of taxable income, 30% of the next $25,000 of taxable income, 40% of the next $25,000 of taxable income, and 46% of taxable income in excess of $100,000; to 15% of the first $25,000 of taxable income; 18% of the next $25,000 of taxable income; 30% of the next $25,000 of taxable income; 40% of the next $25,000 of taxable income; and 46% of taxable income in excess of $100,000.

Because of changes in the tax rates, the proration rules of section 21 apply. Fiscal year 1982–83 corporations must prorate their tax to reflect these changes. Thus, a fiscal year corporation will compute its tax for the year by prorating a tax for the period before 1983 and for the period after 1982, using the tax rates in effect for each period. The accompanying worksheet for fiscal year 1982–83 provides for such computation.

Computation of Tax.—In computing the tax, the corporation computes a regular tax (Part I) and an alternative tax (Part II) for each period and takes the lower tax for each period. The sum of the prorated tax for each period is the total on line 44, Part III.

Specific Instructions

Parts I & II

Lines 2, 4, 6, and 8, Part I (and Lines 22, 24, 26, and 28, Part II).—These lines represent the four taxable income brackets used in computing the tax for the periods before 1983 and after 1982. Members of a controlled group should see the instructions for Schedule J, lines 1 and 2, on page 7, for amounts to be entered in lieu of $25,000.

Part III

Line 41, Portion of Tentative Tax.—Multiply line 40 by:

(a) $\frac{\text{number of days in tax year before 1/1/83}}{\text{number of days in tax year}}$

OR

(b) applicable decimal from table below (column (A)).

Taxpayers with a 52–53 week tax year must use (a) above.

Line 43, Portion of Tentative Tax.—Multiply line 42 by:

(a) $\frac{\text{number of days in tax year after 12/31/82}}{\text{number of days in tax year}}$

OR

(b) applicable decimal from table below (column (B)).

Taxpayers with a 52–53 week tax year must use (a) above.

Table

Fiscal year	(A) Before 1983 Line 40 × applicable fraction or decimal listed below and enter result on line 41	(B) After 1982 Line 42 × applicable fraction or decimal listed below and enter result on line 43
2/1/82– 1/31/83	334/365 or .915068	31/365 or .084932
3/1/82– 2/28/83	306/365 or .838356	59/365 or .161644
4/1/82– 3/31/83	275/365 or .753425	90/365 or .246575
5/1/82– 4/30/83	245/365 or .671233	120/365 or .328767
6/1/82– 5/31/83	214/365 or .586301	151/365 or .413699
7/1/82– 6/30/83	184/365 or .504110	181/365 or .495890
8/1/82– 7/31/83	153/365 or .419178	212/365 or .580822
9/1/82– 8/31/83	122/365 or .334247	243/365 or .665753
10/1/82– 9/30/83	92/365 or .252055	273/365 or .747945
11/1/82–10/31/83	61/365 or .167123	304/365 or .832877
12/1/82–11/30/83	31/365 or .084932	334/365 or .915068

Worksheet for Fiscal Year 1982–83 Corporations–
Tax Computation Schedule (Do Not File—Keep for your Records)

Part I Computation of Regular Tax

Computation at Tax Rates Applicable Before 1/1/83

1 Enter taxable income from Form 1120, line 30, page 1
2 Enter line 1 or $25,000, whichever is less. (Members of a controlled group, see instructions)
3 Subtract line 2 from line 1
4 Enter line 3 or $25,000, whichever is less. (Members of a controlled group, see instructions)
5 Subtract line 4 from line 3
6 Enter line 5 or $25,000, whichever is less. (Members of a controlled group, see instructions)
7 Subtract line 6 from line 5
8 Enter line 7 or $25,000, whichever is less. (Members of a controlled group, see instructions)
9 Subtract line 8 from line 7
10 16% of line 2
11 19% of line 4
12 30% of line 6
13 40% of line 8
14 46% of line 9
15 Total of lines 10 through 14. If applicable, enter here and on line 40, Part III

Computation at Tax Rates Applicable After 12/31/82

16 15% of line 2
17 18% of line 4
18 Total of lines 12, 13, 14, 16, and 17. If applicable, enter here and on line 42, Part III

Part II Computation of Alternative Tax

Computation at Tax Rates Applicable Before 1/1/83

19 Taxable income (line 1, Part I)
20 Enter net capital gain from Schedule D (Form 1120), line 10
21 Subtract line 20 from line 19
22 Enter line 21 or $25,000, whichever is less. (Members of a controlled group, see instructions)
23 Subtract line 22 from line 21
24 Enter line 23 or $25,000, whichever is less. (Members of a controlled group, see instructions)
25 Subtract line 24 from line 23
26 Enter line 25 or $25,000, whichever is less. (Members of a controlled group, see instructions)
27 Subtract line 26 from line 25
28 Enter line 27 or $25,000, whichever is less. (Members of a controlled group, see instructions)
29 Subtract line 28 from line 27
30 16% of line 22
31 19% of line 24
32 30% of line 26
33 40% of line 28
34 46% of line 29
35 28% of line 20
36 Alternative tax—total of lines 30 through 35. If this amount is less than the regular tax on line 15, Part I, enter here and on line 40, Part III

Computation at Tax Rates Applicable After 12/31/82

37 15% of line 22
38 18% of line 24
39 Alternative tax—total of lines 32, 33, 34, 35, 37, and 38. If this amount is less than the regular tax on line 18, Part I, enter here and on line 42, Part III

Part III Proration of Tentative Taxes

40 Tentative tax (regular tax from line 15, or alternative tax from line 36, whichever is less)
41 Portion of tentative tax before 1/1/83—See instructions for computation
42 Tentative tax (regular tax from line 18, or alternative tax from line 39, whichever is less)
43 Portion of tentative tax after 12/31/82—See instructions for computation
44 Income tax—Add lines 41 and 43. Enter here and on Form 1120, line 3, Schedule J, page 3

SCHEDULE D
(Form 1120)
Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

To be filed with Forms 1120, 1120–DISC, 1120F, 1120–H, 1120L, 1120M, 1120–POL, 990–C, and certain Forms 990–T

OMB No. 1545–0123

1982

Name

Employer identification number

Part I Short-term Capital Gains and Losses—Assets Held One Year or Less

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price less expense of sale	e. Cost or other basis	f. Gain or (loss) (d less e)
1					

2 Short-term capital gain from installment sales from Form 6252, line 21 or 29 2

3 Unused capital loss carryover (attach computation) 3

4 Net short-term capital gain or (loss) 4

Part II Long-term Capital Gains and Losses—Assets Held More Than One Year

5 Enter gain from Form 4797, line 5(a)(1) 5

6					

7 Long-term capital gain from installment sales from Form 6252, line 21 or 29 7

8 Net long-term capital gain or (loss) 8

Part III Summary of Schedule D Gains and Losses (Form 1120L filers omit line 11)

9 Enter excess of net short-term capital gain (line 4) over net long-term capital loss (line 8) 9

10 Net capital gain. Enter excess of net long-term capital gain (line 8) over net short-term capital loss (line 4) 10

11 Total of lines 9 and 10. Enter here and on Form 1120, line 8, page 1; Form 1120–H, line 5, page 1; Form 1120–POL, line 5, page 1; or the proper line on other returns 11

Note: *If there is no entry on line 11, see instructions on capital losses for explanation of capital loss carrybacks.*

Part IV Alternative Tax Computation (Forms 1120–H and 1120–DISC filers omit Part IV)

(Fiscal year filers, do not complete Part IV, but instead see the instructions for the applicable return to figure the tax for fiscal year 1982–83)

12 Taxable income. Enter the amount from
- (a) Form 1120, line 30, page 1 . . . .
- (b) Form 1120–POL, line 19, page 1 . . . . . .
- (c) Others—Enter amount from the proper line of other returns 12

13 Net capital gain from line 10 13

14 Subtract line 13 from line 12 14

15 Partial tax. Compute the tax on line 14 as follows
- (a) Form 1120—In accordance with the instructions for Form 1120, Schedule J . . . .
- (b) In accordance with the instructions for Form 1120–POL, General Instruction B . . . .
- (c) Others—In accordance with the tax computation instructions for applicable return 15

16 28% of line 13 16

17 Alternative tax—total of lines 15 and 16. If less than amount of tax figured by regular method, enter here and on Form 1120, Schedule J, line 3; Form 1120–POL, page 1, line 21; or the proper line on other returns. Also check box for Schedule D 17

For Paperwork Reduction Act Notice, see page 1 of Form 1120 instructions.

Instructions

(References are to the Internal Revenue Code.)

Purpose

Schedule D should be used by a taxpayer who files either Forms 1120, 1120–DISC, 1120F, 1120–H, 1120L, 1120M, 1120–POL, 990–C, or certain Forms 990–T, to report sales or exchanges of capital assets. Sales or exchanges of property other than capital assets, including property used in a trade or business, involuntary conversions (other than casualties or thefts), and gain from the disposition of interest in oil, gas, or geothermal property, should be reported on Form 4797, Supplemental Schedule of Gains and Losses. See the instructions for Form 4797 for more information.

If property is involuntarily converted because of a casualty or theft, use Form 4684, Casualties and Thefts.

Parts I and II

Generally, you should report the sales and exchanges, including "like-kind" exchanges, even though there is no gain or loss. No loss is allowed for a wash sale of stock or securities or from a transaction between related persons. (Sections 1091 and 267.)

In Part I report the sale or exchange of capital assets held one year or less. In Part II report the sale or exchange of capital assets held more than one year.

What are Capital Assets.—Each item of property you held (whether or not connected with your trade or business) is a capital asset except:

1. Assets that can be inventoried or property held mainly for sale to customers.
2. Depreciable or real property used in the trade or business.
3. Certain copyrights, literary, musical, or artistic compositions, letters or memorandums, or similar property.
4. Accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property described in 1. above.
5. Certain short-term Federal, State, and municipal obligations acquired on or before June 23, 1981.
6. A U.S. Government publication (including the Congressional Record), received from the Government or any of its agencies in a manner other than by buying it at the price offered for public sale, which is held by a taxpayer who received the publication or by a second taxpayer in whose hands the basis of the publication is determined, for purposes of determining gain from a sale or exchange, by referring to its basis in the hands of the first taxpayer.

Exchange of "like-kind" property.—Report the exchange of "like-kind" property on Schedule D or on Form 4797, whichever applies. You must report it even though no gain or loss is recognized when you exchange business or investment property for property of "like-kind." (This does not include stock in trade or other property held primarily for sale. It also does not include stocks, bonds, notes, choses in action, certificates of trust or beneficial interest, or other securities or evidences of indebtedness or interest.)

If you use Schedule D, identify in column a, the property you disposed of. Enter the date you acquired it in column b, and the date you exchanged it in column c. Write "like-kind exchange" in column d. Enter the cost or other basis in column e. Enter zero in column f.

Special Rules for the Treatment of Certain Gains and Losses

Note: *For more information, get* **Publication 544,** *Sales and Other Dispositions of Assets.*

- **Gains and losses on commodity futures and straddle positions.**—Generally, regulated future contracts open at the end of the year, or terminated during the year, are treated as 60% long-term and 40% short-term regardless of how long the contracts were held. In addition, losses from straddle positions are not allowed if the wash sale rules apply or are deferred to the extent of any unrealized gains on open offsetting positions. Use Form 6781, Gains and Losses From Commodity Futures Contracts and Straddle Positions, to report gains and losses from regulated futures contracts and straddles.
- **Gain or loss on certain short-term Federal, State, and municipal obligations.**—Such obligations acquired after June 23, 1981, are treated as capital assets in determining gain or loss. On any gain realized, a portion is treated as ordinary income and the balance is considered as a short-term capital gain. See section 1232 (a)(4).
- **Gain from installment sales.**—If you sold property at a gain this year and are to receive any payment in a later tax year, you must use the installment method and file Form 6252, Computation of Installment Sale Income.

However, you may elect out of the installment method by doing the following on a timely filed return (including extensions):

(1) Enter in the margin of Schedule D, next to the sale, "I elect out of the installment method."

(2) If you received a note or other obligation and are reporting it at less than face value, state that fact in the margin and give the percentage of valuation.

Also use Form 6252 if you received a payment in 1982 from a sale made in an earlier year on the installment basis.

- **Gain or loss on an option to buy or sell property.**—See section 1234 for the rules that apply to a purchaser or grantor of an option.
- **Gain or loss from a short sale of property.**—Report the gain or loss to the extent that the property used to close the short sale is considered a capital asset in the hands of the taxpayer.
- **Gains and losses of foreign corporations from the disposition of investment in United States real property.**—Foreign corporations are required to report gains and losses from the disposition of U.S. real property interests. See section 897 for details.
- **Gains on certain insurance property.**—Form 1120L filers with gains on property held on December 31, 1958, and certain substituted property acquired after 1958 should see section 817(b) and related regulations.
- **Loss from the sale or exchange of an insurance company's capital assets.**—Report the loss if the assets were sold or exchanged to get funds to meet abnormal insurance losses. If you are an insurance company taxed under section 831 and are reporting a loss on Schedule D, also attach a schedule similar to Schedule C of Form 1120M. If you are an insurance company taxed under section 821, all references to line numbers on Form 1120 are to be considered as references to the appropriate line on Form 1120M.
- **Loss from securities that are capital assets that become worthless during the year.**—Except for securities held by a bank, treat the loss as a capital loss as of the last day of the tax year. (See section 582 for the rules on the treatment of securities held by a bank.)

How to Determine the Cost or Other Basis of the Property

In determining gain or loss, the basis of property will generally be its cost (section 1012). The exceptions to the general rule are provided in sections contained in subchapters C, K, O, and P of the Code. For example, if you acquired the property by dividend, liquidation of a corporation, transfer from a shareholder, reorganization, contribution or gift, bequest, bankruptcy, tax-free exchange, involuntary conversion, or wash sale of stock, see sections 301, 334, 362 (or 358), 1015, 1014, 372 (or 374), 1031, 1033, and 1091, respectively. Attach an explanation if you use a basis other than actual cash cost of the property.

If you are allowed a charitable contribution deduction because you sold property to a charitable organization, figure the adjusted basis for determining gain from the sale by dividing the amount realized by the fair market value and multiplying that result by the adjusted basis.

Capital Losses.—The amount of capital losses allowed may not be more than capital gains. A net capital loss may be carried back 3 years and forward 5 years as a short-term capital loss. Carry back a capital loss to the extent it does not increase or produce a net operating loss in the tax year to which you carry it. You may not carry back foreign expropriation capital losses, but you may carry them forward 10 years instead of 5. A net capital loss for a regulated investment company may be carried forward 8 years instead of 5.

At risk limitations (section 465).—If you sold or exchanged an asset used in an activity to which the at risk rules apply, combine the gain or loss on the sale or exchange with the profit or loss from the activity. If you have a net loss from the activity, it may be subject to the at risk rules.

Part III—Summary of Schedule D Gains and Losses

If the net long-term capital gain is more than the net short-term capital loss, there is a net capital gain. In that case, you may want to complete Part IV to determine if the resulting alternative tax is less than the tax figured using the regular method.

Part IV—Alternative Tax Computation

- Forms 1120–H and 1120–DISC filers omit Part IV.
- Form 1120L filers see Form 1120L instructions for line 6 before figuring the alternative tax.

In figuring the alternative tax, you do not have to refigure deductions limited by the amount of taxable income (such as contributions and the special deductions in Schedule C of Form 1120).

If the alternative tax amount on line 17 is less than the tax figured by the regular method, enter the amount of alternative tax on Form 1120, Schedule J, line 3; Form 1120–POL, page 1, line 21, or the proper line on other returns. Also check the box for Schedule D.

If there is a net capital gain, you may be liable for minimum tax. See Form 4626, Computation of Minimum Tax—Corporations and Fiduciaries, for more information.

Form **1120S**

Department of the Treasury
Internal Revenue Service

U.S. Small Business Corporation Income Tax Return

for calendar year 1982 or other tax year beginning ...., 1982, ending ...., 19......

▶ For Paperwork Reduction Act Notice, see page 1 of the instructions.

OMB No. 1545-0130

1982

Proof as of Nov. 1
(Subject to change)

A Date of election as small business corporation	Use IRS label. Otherwise, please print or type. Name	C Employer identification no.
B Business code no. (see page 9 of Instructions)	Number and street	D Date incorporated
	City or town, State, and ZIP code	E Enter total assets from Schedule L, line 14, column D (see instructions) $

IMPORTANT—*All applicable lines and schedules must be filled in. If section 465 (deductions limited to amount at risk) applies, see instruction for line 28.*

Gross Income	1 a Gross receipts or sales .... 1b Less returns and allowances .... Balance ▶			1c	
	2 Cost of goods sold (Schedule A) or operations (attach schedule)			2	
	3 Gross profit (subtract line 2 from line 1c)			3	
	4 a Domestic dividends			4a	
	b Foreign dividends			4b	
	5 Interest			5	
	6 Gross rents			6	
	7 Gross royalties			7	
	8 Gains and losses (attach separate Schedule D (Form 1120S)):			▨	
	a Net short-term capital gain reduced by any net long-term capital loss			8a	
	b Net capital gain (if more than $25,000, see instructions for Part IV of Schedule D (Form 1120S))			8b	
	9 Ordinary gain or (loss) from Form 4797, Part II, line 11(a) (attach Form 4797)			9	
	10 Other income (see instructions—attach schedule)			10	
	11 **TOTAL** income—Add lines 3 through 10			11	
Deductions	12 Compensation of officers (Schedule E)			12	
	13 a Salaries and wages .... 13b Less jobs credit .... Balance ▶			13c	
	14 Repairs (see instructions)			14	
	15 Bad debts (Schedule F if reserve method is used)			15	
	16 Rents			16	
	17 Taxes			17	
	18 Interest			18	
	19 Contributions (not over 10% of line 28 adjusted per instructions)			19	
	20 Depreciation (attach Form 4562)	20		▨	
	21 Less depreciation claimed in Schedule A and elsewhere on return	21a	( )	21b	
	22 Depletion			22	
	23 Advertising			23	
	24 Pension, profit-sharing, etc. plans (see instructions)			24	
	25 Employee benefit programs (see instructions)			25	
	26 Other deductions (attach schedule)			26	
	27 **TOTAL** deductions—Add lines 12 through 26			27	
	28 Taxable income (loss) (subtract line 27 from line 11) (see instructions)			28	
Tax	29 a Excess net passive income tax (see instructions—attach schedule)	29a		▨	
	b Tax from Schedule D (Form 1120S), Part IV	29b		29	
	30 Payments: a Tax deposited with Form 7004	30a		▨	
	b Tax deposited with Form 7005 (attach copy)	30b		▨	
	c Federal tax on special fuels and oils (attach Form 4136)	30c		30	
	31 **TAX DUE** (subtract line 30 from line 29). See instructions for paying the tax →			31	
	32 **OVERPAYMENT** (subtract line 29 from line 30) →			32	

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature of officer .... Date .... ▶ Title

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ▶ ☐	Preparer's social security no.
Firm's name (or yours, if self-employed) and address ▶		E.I. No. ▶	
		ZIP code ▶	

Schedule A Cost of Goods Sold (See instructions for Schedule A)

1 Inventory at beginning of year . . . .

2 Merchandise bought for manufacture or sale . . . .

3 Salaries and wages . . . .

4 Other costs (attach schedule) . . . .

5 Total—Add lines 1 through 4 . . . .

6 Inventory at end of year . . . .

7 Cost of goods sold—Subtract line 6 from line 5. Enter here and on line 2, page 1 . . . . . .

8 a Check all methods used for valuing closing inventory:

(i) ☐ Cost

(ii) ☐ Lower of cost or market as described in regulations section 1.471–4 (see instructions)

(iii) ☐ Writedown of "subnormal" goods as described in regulations section 1.471–2(c) (see instructions)

(iv) ☐ Other (Specify method used and attach explanation) ▶ ______________________

b Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . . ☐

c If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO . . . . ______

d If you are engaged in manufacturing, did you value your inventory using the full absorption method (regulations section 1.471–11)? . . . . ☐ Yes ☐ No

e Was there any substantial change in determining quantities, cost, or valuations between opening and closing inventory? . . . . ☐ Yes ☐ No

If "Yes," attach explanation.

Proof as of Nov. 1
(Subject to change)

Additional Information Required

	Yes	No
F Did you at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)		
If "Yes," attach a schedule showing: (1) name, address, and employer identification number; (2) percentage owned; (3) highest amount owed by you to such corporation during the year; and (4) highest amount owed to you by such corporation during the year. **(Note:** *For purposes of F(3) and F(4), "highest amount owed" includes loans and accounts receivable/payable.)*	▨	▨
G Refer to page 9 of instructions and state the principal: Business activity ▶ ______________________; Product or service ▶ ______________________	▨	▨
H Were you a member of a controlled group subject to the provisions of section 1561?		
I If the corporation has a loss in an activity for the year, does the corporation have amounts for which it is not "at risk" in the activity (see instruction for line 28 of page 1)?		
J Answer only if (1) this is the first Form 1120S return filed since your election to be treated as a small business corporation and (2) the corporation was in existence for the tax year prior to the election and had investment credit property: Was an agreement filed under regulations section 1.47–4(b)?		
K Did you claim a deduction for expenses connected with:		
1 Entertainment facilities (boat, resort, ranch, etc.)?		
2 Living accommodations (except for employees on business)?		
3 Employees attending conventions or meetings outside the North American area? (See section 274(h).)		
4 Employees' families at conventions or meetings?		
If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(h).) .		
5 Employee or family vacations not reported on Form W–2?		
L At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instructions)?		
M Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520–A or 926		
N During this tax year was any part of your tax accounting records maintained on a computerized system?		
O Number of shareholders in the corporation at the end of the tax year ▶ ______________________	▨	▨
P Was this firm in business at the end of 1982?		
Q How many months in 1982 was this firm in business?		

Schedule E Compensation of Officers (Complete Schedule E only if your total receipts (line 1a, plus lines 4 through 10, of page 1, Form 1120S) are $150,000 or more.) (See instructions for line 12 of page 1)

1. Name of officer	2. Social security number	3. Time devoted to business	4. Percentage of corporation stock owned	5. Amount of compensation	6. Expense account allowances
Total compensation of officers—Enter here and on line 12, page 1					▨

Proof as of Nov. 1
(Subject to change)

Schedule F Bad Debts—Reserve Method (See instructions for line 15 of page 1)

1. Year	2. Trade notes and accounts receivable outstanding at end of year	Amount added to reserve			6. Amount charged against reserve	7. Reserve for bad debts at end of year
		3. Sales on account	4. Current year's provision	5. Recoveries		
1977						
1978						
1979						
1980						
1981						
1982						

Schedule K Computation of Undistributed Taxable Income and Summary of Distributions and Other Items

1 Taxable income (line 28, page 1)

2 Less: a Money distributed as dividends out of earnings and profits for the tax year

b Tax imposed on certain capital gains (line 29b, page 1)

3 Corporation's undistributed taxable income (subtract line 2 from line 1)

4 Actual dividend distributions taxable as ordinary income. (Do not include amounts shown on line 6.)

5 Actual dividend distributions taxable as long-term capital gains (after tax)

6 Actual dividend distributions taxable as ordinary income and qualifying for dividend exclusion

7 Nondividend distributions

8 Undistributed taxable income—taxable as ordinary income or (loss) (see instructions)

9 Undistributed taxable income—taxable as long-term capital gain (after tax) (see instructions)

10 Investment credit property—Attach Form 3468 (See Instructions) ▨

11 Interest on investment indebtedness:

a 1 Interest on investment indebtedness incurred before 12–17–69

2 Interest on investment indebtedness incurred before 9–11–75, but after 12–16–69

3 Interest on investment indebtedness incurred after 9–10–75

b Net investment income or (loss)

c Excess expenses from "net lease property"

d Net capital gain attributable to investment property

12 Items of tax preference (see instructions):

a Accelerated depreciation on real property:

1 Low-income rental housing (section 167(k))

2 Other real property that is nonrecovery property or 15-year real property

b Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property

c Amortization

d Reserve for losses on bad debts of financial institutions

e Depletion

f Intangible drilling costs

g Other (attach schedule) (see instructions)

h Net capital gain (after tax)

13 a Jobs credit

b Credit for alcohol used as fuel

c Other (see instructions)

Schedule L Balance Sheets

	Assets	Beginning of tax year A	Beginning of tax year B	End of tax year C	End of tax year D
1	Cash				
2	Trade notes and accounts receivable				
	a Less allowances for bad debts				
3	Inventories				
4	Federal and State government obligations				
5	Other current assets (attach schedule)				
6	Loans to shareholders				
7	Mortgage and real estate loans				
8	Other investments (attach schedule)				
9	Buildings and other depreciable assets				
	a Less accumulated depreciation				
10	Depletable assets				
	a Less accumulated depletion				
11	Land (net of any amortization)				
12	Intangible assets (amortizable only)				
	a Less accumulated amortization				
13	Other assets (attach schedule)				
14	Total assets				
	Liabilities and Shareholders' Equity				
15	Accounts payable				
16	Mtges., notes, bonds payable in less than 1 year				
17	Other current liabilities (attach schedule)				
18	Loans from shareholders				
19	Mtges., notes, bonds payable in 1 year or more				
20	Other liabilities (attach schedule)				
21	Capital stock				
22	Paid-in or capital surplus				
23	Retained earnings—appropriated (attach schedule)				
24	Retained earnings—unappropriated				
25	Shareholders' undistributed taxable income previously taxed				
26	Less cost of treasury stock		( )		( )
27	Total liabilities and shareholders' equity				

Proof as of Nov. 1
(Subject to change)

Schedule M–1 Reconciliation of Income on Books With Income on Return (line 28, page 1). Do not complete this schedule if your total assets (line 14, column D, above) are less than $25,000.

1 Net income on books
2 Federal income tax
3 Excess of capital losses over capital gains
4 Income subject to tax not recorded on books this year (itemize) $
5 Expenses recorded on books this year not deducted in this return (itemize)
a Depreciation $
b Contributions carryover $
6 Total of lines 1 through 5

7 Income recorded on books this year not included in this return (itemize)
a Tax-exempt interest $
8 Deductions in this tax return not charged against book income this year (itemize)
a Depreciation $
b Contributions carryover $
9 Total of lines 7 and 8
10 Income—line 6 less line 9

Schedule M–2 Analysis of Unappropriated Retained Earnings on Books (line 24 above). Do not complete this schedule if your total assets (line 14, column D, above) are less than $25,000.

1 Balance at beginning of year
2 Net income on books
3 Other increases (itemize)
4 Total of lines 1, 2, and 3

5 Distributions out of current or accumulated earnings and profits: a Cash
b Stock
c Property
6 Current year's undistributed taxable income or net operating loss (total of lines 8 and 9, Schedule K)
7 Other decreases (itemize)
8 Total of lines 5, 6, and 7
9 Balance at end of year (line 4 less line 8)

1982 Instructions for Form 1120S

Department of the Treasury
Internal Revenue Service

U.S. Small Business Corporation Income Tax Return

(References are to the Internal Revenue Code. Sections identified as "new" were added by the Subchapter S Revision Act of 1982 (Public Law 97–354).)

Tax Highlights

Withholding on Interest and Dividends

Effective July 1, 1983, a subchapter S corporation that is a payer of interest dividends (and section 1375(f) distributions), or patronage dividends to certain recipients is required to withhold a tax of 10% on the amount paid. See the 1983 Instructions for Form 1096, and the Instructions for line 7 of Schedule K of Form 1120S.

As recipients, however, most corporations are exempt from withholding on their income. Regardless, some withholding may occur. For example, if the corporation was a member of a partnership that had amounts withheld on interest or dividends paid to the partnership, the partnership would report the amount withheld to the corporation at its year end. In these cases, the credit for such withholding is passed to shareholders of the corporation. See the Instructions for line 13c of Schedule K of Form 1120S.

Change in Passive Income Limit and Tax on Excess Net Passive Income

Effective for tax years beginning in 1982, Public Law 97–354 made the following changes:

1. repealed the old 20% limitation (section 1372(e)(5)) on passive income for subchapter S corporations that do not have subchapter C earnings and profits;
2. increased the limit on passive income to 25% for subchapter S corporations that have earnings and profits from prior subchapter C status; and
3. provided for a 46% tax on excess net passive income.

The General Instruction for "End of Election" explains the new 25% limit as well as other tax law changes that take effect for tax years beginning after 1982. Details about figuring the new tax on excess net passive income are given in the specific instruction for line 29a.

Basis Adjustment for Investment Tax Credits

A taxpayer may be required to reduce the basis of property placed in service after December 31, 1982, by 50% of the credit taken for the property. See Instruction for line 10 of Schedule K of Form 1120S.

Tax Rate Changes

Effective for tax years beginning after 1982, the tax rates are reduced for the two lowest income brackets. Because of the reductions, fiscal year 1982–83 corporations have to make a section 21 tax proration to figure their capital gain tax, if applicable. See Schedule D (Form 1120S).

Accelerated Tax Payments

For tax years beginning after December 31, 1982, a corporation must pay the amount of unpaid taxes on line 31 within 2½ months after the end of the tax year. The election to pay in two equal installments will no longer be available.

Depreciation Changes

For tax years beginning after December 31, 1981, you may elect to expense part of the cost (up to $5,000 for 1982 and 1983) of certain depreciable property that you bought during the year. See Form 4562, Depreciation and Amortization, for more information.

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(subject to change)

Charitable Contributions

Effective for tax years beginning after December 31, 1981, a corporation's maximum charitable contribution deduction increased from 5% to 10% of its taxable income. See section 170(b)(2).

Voluntary Contributions to Reduce the Public Debt

Quite often inquiries are received about how voluntary contributions to reduce the public debt may be made. A corporation may contribute by enclosing a **separate** check, payable to "Bureau of the Public Debt," with the tax return. These amounts are tax-deductible, subject to the rules and limitations for charitable contributions. Please keep the contribution to reduce the public debt **separate** from any amount payable with the tax return. Tax remittances should be made payable to "Internal Revenue Service."

General Instructions

Paperwork Reduction Act Notice

The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose

Form 1120S is used instead of Form 1120 if a corporation elected to be taxed as an electing small business corporation (subchapter S corporation) and its election is in effect.

If you need more information, you may want to get **Publication 589,** Tax Information on Subchapter S Corporations. It is available from many Internal Revenue Service offices.

Filing Form 1120S

Who Must File

You must file Form 1120S if you elected, by filing Form 2553, Election by a Small Business Corporation, to be taxed as a subchapter S corporation and IRS accepted your election; and if the election remains in effect. A corporation that files Form 1120S is generally exempt from income tax, which its shareholders pay instead.

End of Election

The election to be taxed as a small business corporation can end automatically or it can be revoked. During the 5 years after an election has ended automatically or been revoked, the corporation can make another election on Form 2553 only if the Commissioner consents. (See regulations section 1.1372–5.)

The election ends **automatically** in any of the following cases:

a. A new shareholder affirmatively refuses to consent to the election by the 60th day after the day the shareholder acquired the stock. (Effective for tax years beginning after 1982, this provision is repealed.) A new shareholder is a person who was not a shareholder on the first day of the first tax year for which the election is effective or on the day the election is made, whichever is later.

The new shareholder's affirmative refusal must be filed with the Internal Revenue Service Center that has jurisdiction for the area where the principal business, office, or agency of the corporation is located.

b. The corporation is no longer a small business corporation as defined in section 1371(a). (Effective for tax years beginning after 1982, a subchapter S corporation may have up to 35 shareholders.)

c. More than 80% of the corporation's gross receipts come from sources outside the United States. (Effective for tax years beginning after 1982, this provision is repealed.)

d. If the corporation has subchapter C earnings and profits and more than 25% of the corporation's gross receipts are passive investment income as defined in new section 1362(d)(3)(D) for 3 consecutive tax years, the election shall terminate on the first day of the first tax year beginning after the third consecutive tax year. The corporation must pay a tax for each year it has excess net passive income. See specific instructions for line 29a for details on how to figure the tax.

The ending of an election for any of these reasons is effective for the tax year of the corporation in which any of the cases above occurs and for all the corporation's later tax years. (See sections 1372(e) and (f).)

The election may be revoked for any tax year after the first tax year for which it is effective. All shareholders on the day the revocation is made must agree to it in order for it to take effect.

A revocation is effective either for the tax year in which it is made (if made within the first month of the tax year) or for the following year (if made after the first month of the tax year). It must be made according to regulations section 1.1372–4. See new section 1362(d)(1) for revocation of an election for tax years beginning after 1982.

When to File

In general, file Form 1120S by the 15th day of the 3rd month after the end of the tax year.

Extensions.—Use Form 7004, Application for Automatic Extension of Time to File Corporation Income Tax Return, to request an automatic 3-month extension to file Form 1120S.

Use Form 7005, Application for Additional Extension of Time to File Corporation Income Tax Return, to request an additional extension after getting an automatic 3-month extension with Form 7004.

Period to be Covered by 1982 Return

File the 1982 return for calendar year 1982 and fiscal years beginning in 1982 and ending in 1983. If the return is for a fiscal year, fill in the tax year spaces on the form.

Final Returns. If the corporation ceases to exist, write "FINAL RETURN" at the top of the form.

Amended Return

To correct an error in a Form 1120S already filed, file an amended Form 1120S and write "AMENDED" across the top. If the amended return results in a change to taxable income, or a change in the distribution of any property or other information provided to shareholders, an amended Schedule K–1 (Form 1120S), Shareholder's Share of Undistributed Taxable Income, etc., must also be filed with the amended Form 1120S and given to each shareholder. Write "AMENDED" across the top of the corrected Schedule K–1.

Where To File

If the corporation's principal business, office, or agency is located in ▼	Use the following Internal Revenue Service Center address ▼
New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester	Holtsville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05501
Alabama, Florida, Georgia, Mississippi, South Carolina	Atlanta, GA 31101
Michigan, Ohio	Cincinnati, OH 45999
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
Illinois, Iowa, Missouri, Wisconsin	Kansas City, MO 64999
California, Hawaii	Fresno, CA 93888
Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia	Memphis, TN 37501
Delaware, District of Columbia, Maryland, Pennsylvania	Philadelphia, PA 19255

Accounting Methods

Figure taxable income using the method of accounting regularly used in keeping the corporation's books and records. In all cases, the method adopted must clearly reflect taxable income. (See section 446.)

Unless the law specifically states otherwise, a corporation may change the method of accounting used to report income in earlier years (for income as a whole or for any material item) only by first getting consent on Form 3115, Application for Change in Accounting Method. Also see **Publication 538**, Accounting Periods and Methods.

Rounding Off to Whole-Dollar Amounts.—You may show the money items on the return and accompanying schedules as whole-dollar amounts. To do so, drop any amount less than 50 cents, and increase any amount from 50 cents through 99 cents to the next higher dollar.

Change in Accounting Period

To change an accounting period, see regulations section 1.442–1 and Form 1128, Application for Change in Accounting Period. Also see **Publication 538**.

Paying the Tax

You must pay the balance of tax due either (1) in full when you file the return or (2) in two equal installments. The first installment is due by the 15th day of the 3rd month after the end of the tax year. The second installment is due by the 15th day of the 6th month after the end of the tax year.

Deposit corporation income tax payments with a preinscribed Federal Tax Deposit (FTD) Form 503. Make these tax deposits with either a financial institution qualified as a depositary for Federal taxes or the Federal Reserve Bank or Branch (FRB) serving the geographic area where the taxpayer is located. Records of deposits will be sent to the Internal Revenue Service for crediting to the corporation's account. See the instructions on the back of Form 503 for more information and exceptions.

You can get Form 503 from the IRS service center where you file your return. The application should include the corporation's name, identification number (EIN), address, and the tax year to which the deposits relate. For more information concerning deposits and obtaining an EIN, see **Publication 583**, Information for Business Taxpayers.

Penalty for Overstated Tax Deposits.—If you overstate your deposits, you may be subject to a penalty. See section 6656(b).

Penalties

a. A corporation that does not file its tax return by the due date, including any extensions, may have to pay a penalty of 5% a month, up to a maximum of 25%, for each month the return is not filed. (The penalty is imposed on the net amount due—section 6651(a)(1).) The minimum penalty for not filing a tax return within 60 days of the due date for filing (including extensions) is the lesser of the underpayment of tax or $100.

b. A corporation that does not pay the tax when due may have to pay a penalty of ½% a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid. (The penalty is imposed on the net amount due—section 6651(a)(2).)

These penalties will not be imposed if the corporation can show that not filing or not paying was due to reasonable cause and not to willful neglect.

These penalties are in addition to the interest charge imposed on unpaid tax at a rate under section 6621.

Stock Ownership in Foreign Corporations

If the corporation owned at least 5% in value of the outstanding stock of a foreign personal holding company, attach the statement required by section 551(c).

A taxpayer who controls a foreign corporation, or who is a 10% or more shareholder of a controlled foreign corporation, may have to file Form 5471, Information Return with Respect to a Foreign Corporation.

Balance Sheets

You may use either Schedule L or copies of other balance sheets required by Federal, State, or other authorities. Balance sheets filed under this procedure must contain sufficient information to enable IRS to reconstruct a balance sheet similar to that contained on Form 1120S, without contacting the taxpayer during processing. Include certificates of deposit as cash on line 1 of the balance sheet.

The balance sheets must agree with your books and records. Use Schedule M–1 to reconcile taxable income with the net profit shown on your books. (A corporation is not required to complete Schedules M–1 or M–2 if its total assets (line 14, column D, of Schedule L, of Form 1120S) are less than $25,000.)

Net Operating Loss and Other Deductions

A subchapter S corporation may not take the deduction for net operating losses provided by section 172 and the special deductions in Part VIII (except section 248) of subchapter B. (See section 1373(d).)

The corporation's net operating loss is allowed as a deduction from the shareholders' gross income. (Section 1374.)

Proofs (Subject to change) NOV 1

Attachments

If you need more space on forms or schedules, attach separate sheets. Attach schedules in alphabetical order and forms in numerical order to the back of Form 1120S. Be sure to put the corporation's name and employer identification number on these separate sheets.

Signature

The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign.

A receiver, trustee, or assignee must sign and date any return he or she is required to file on behalf of a corporation.

If your corporate officer fills in Form 1120S, the Paid Preparer's space under "signature of officer" should remain blank. If someone prepares Form 1120S and does not charge the corporation, that person should not sign the return. Certain others who prepare Form 1120S should not sign. For example, a regular, full-time employee of the corporation such as a clerk or secretary does not have to sign. (This list is not all-inclusive.)

In general, anyone paid to prepare Form 1120S must sign the return and fill in the other blanks in the Paid Preparer's Use Only area of the return.

The preparer required to sign the return MUST:

- Complete the required preparer information.
- Sign, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)
- Give a copy of Form 1120S to the taxpayer in addition to the copy filed with IRS.

Tax return preparers should be familiar with their responsibilities. See **Publication 1045**, Information and Order Blanks for Preparers of Federal Income Tax Returns, for more details.

Transfers to Corporation Controlled by Transferor

If a person acquires stock or securities of a corporation in exchange for property, and no gain or loss is recognized under section 351, the transferor and transferee must attach the information required by regulations section 1.351–3.

Information Returns That May be Required

Form 1096. Annual Summary and Transmittal of U.S. Information Returns.

Forms 1099–DIV, INT, MED, MISC, OID, PATR and R. You may have to file these information returns to report certain dividends, interest payments, medical and health care payments, miscellaneous income, original issue discount, patronage dividends, and total distributions from profit-sharing plans, retirement plans, and individual retirement arrangements.

Use Form 1099–DIV to report actual dividend distributions taxable as ordinary income, actual dividend distributions taxable as long-term capital gains (after tax), nondividend distributions, and dividends qualifying for the dividend exclusion.

Use Schedule K–1 (Form 1120S), Shareholder's Share of Undistributed Taxable Income, etc., to report constructive dividends (undistributed taxable income). Do not report them on Form 1099–DIV.

Use Form 966, Corporate Dissolution or Liquidation, and Form 1099L, U.S. Information Return for Distributions in Liquidation During Calendar Year, to report dissolution or liquidation and distributions in liquidation.

Specific Instructions

Employer Identification Number. If the employer identification number (EIN) on the label is wrong or if you did not receive a label, write the correct number at the top of the return.

A corporation that does not have an EIN should apply for one on Form SS–4, Application for Employer Identification Number. You can get this form at most IRS or Social Security Administration offices. Send Form SS–4 to the same Internal Revenue Service Center to which you send Form 1120S. If you have not received the EIN by the time for filing Form 1120S, write "Applied for" in the EIN space. See **Publication 583** for additional information.

Total Assets. Enter the total assets of the corporation. If there are no assets at the end of the tax year, enter the total assets as of the beginning of the tax year.

Gross Income

Line 1c

Gross receipts

Enter gross receipts or sales from all business operations except those you must report on lines 4 through 10.

For reporting advance payments and long-term contracts, see regulations sections 1.451–3 and 1.451–5.

If you use the installment method, enter on line 1c the gross profit on collections from installment sales and carry the same amount to line 3. Attach a schedule showing for the current year and 3 preceding years: (a) gross sales, (b) cost of goods sold, (c) gross profit, (d) percentage of gross profit to gross sales, (e) amount collected, and (f) gross profit on amount collected.

Line 2

Cost of goods sold

See the instructions for Schedule A.

Line 5

Interest

Enter interest on loans, notes, mortgages, bonds, bank deposits, corporate bonds, etc.

Do not offset interest income against interest expense.

Line 6

Gross rents

Enter the gross amount you received for renting property. Enter expenses attributable to rental income on the proper expense deduction lines (12–26).

The corporation may be limited in the amount of expense deductions for renting a vacation home if a shareholder uses the property for personal purposes. (See section 280A.)

Line 8

Capital gains and losses

See separate Schedule D (Form 1120S), and Form 4797, Supplemental Schedule of Gains and Losses.

If line 8b is more than $25,000, see instructions for Part IV, Tax Computation, of Schedule D (Form 1120S).

Report every sale or exchange of a capital asset in detail on Schedule D (Form 1120S) even though there is no gain or loss.

Line 10

Other income

Enter any other taxable income not listed above and explain its nature on an attached schedule. Examples of other income are recoveries of bad debts deducted in earlier years under the specific charge-off method, the amount of credit (determined without regard to the limitation based on tax) for alcohol used as a fuel that was figured on Form 6478, Credit for Alcohol Used as Fuel, and refunds of taxes deducted in earlier years. Do not offset current year's taxes with tax refunds.

If "other income" consists of only one item, identify it by showing the account caption in parentheses on line 10. A separate schedule need not be attached to the return in this case.

Deductions

Line 12

Compensation of officers

Enter on line 12 the total compensation of all officers.

Complete Schedule E only if your total receipts (line 1a plus lines 4 through 10 of page 1 of Form 1120S) are $150,000 or more.

Complete columns 1 through 5, Schedule E, for all officers. Complete column 6, Schedule E, for your six highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance means (1) amounts, except compensation, received as advances or reimbursements and (2) amounts paid by or for the corporation for expenses incurred by or for an officer. You do not have to complete column 6 for any officer whose combined amount is less than $50,000.

Line 13

Salaries and wages

Enter on line 13a the amount of total salaries and wages (other than salaries and wages deducted elsewhere on your return) paid or incurred for the tax year.

Enter on line 13b the applicable jobs credit from Form 5884. See Instructions for Form 5884, Jobs Credit (and WIN Credit Carryover), for more information.

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Dividends that shareholders of a subchapter S corporation arrange to receive instead of reasonable compensation in the same amounts for service they performed may constitute "wages". The corporation incurs a liability for taxes imposed by the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, and the Collection of Income Tax at Source of Wages for such wages. (See Revenue Ruling 77–44, 1974–1 C.B. 287.)

Line 14

Repairs

Enter the cost of incidental repairs, such as labor and supplies, that do not add to the value of the property or increase the life of the property. However, see the instructions for line 20.

You may choose to deduct as a current expense certain expenses for the removal of architectural and transportation barriers to the handicapped and elderly. See section 190 and related regulations.

Line 15

Bad debts

You may treat bad debts in either of two ways: (a) as a deduction for debts that become worthless in whole or in part, or (b) as a deduction for a reasonable addition to a reserve for bad debts. (Section 166.)

Apply on Form 3115 if you want to change the method of figuring bad debts.

Line 17

Taxes

Enter taxes paid or accrued during the tax year.

Do not include Federal income tax or taxes not imposed on the corporation. See section 164(d) for dividing taxes on real property between seller and buyer.

Do not deduct amounts paid or accrued during the year for real property construction period taxes (other than for low-income housing). Form 4562, Depreciation and Amortization, provides for the amortization of these amounts. See section 189 and Part II of Form 4562 for details.

Line 18

Interest

Enter interest expense, including investment interest expense. Do not include interest on indebtedness that is incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. For exceptions, see item (2) of section 265.

See section 267 for limits on deductions for unpaid expenses and interest on transactions between related taxpayers.

Do not deduct amounts paid or accrued during the year for real property construction period interest (other than low-income housing). Form 4562 provides for the amortization of these amounts. See section 189 and Part II of Form 4562 for details.

In general, a cash basis taxpayer cannot deduct prepaid interest that is allocable to years after the current tax year. A cash basis taxpayer, who in 1982 prepaid interest allocable to any period after 1982, can deduct only the amount allocable to 1982. Please see **Publication 545**, Interest Expense.

Generally, for positions established after June 23, 1981, the interest and carrying charges on straddles can no longer be deducted but must be capitalized. See section 263(g).

Line 19

Contributions

Enter contributions or gifts actually paid within the tax year to or for the use of charitable and governmental organizations described in section 170(c). Also enter any unused contributions carried over from earlier years.

The total amount claimed may not be more than 10% of taxable income (line 28, page 1) figured without regard to this deduction.

You may not deduct for the tax year charitable contributions larger than the 10% limit, but you may carry the excess over to the next 5 tax years.

Corporations on the accrual basis may choose to deduct contributions paid by the 15th day of the 3rd month after the end of the tax year if the board of directors authorized the contributions during the tax year. Attach to the return a declaration signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the tax year. Also attach a copy of the resolution to the return.

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For a contribution in property other than money, attach a schedule describing the kind of property contributed and the method used in determining its fair market value. If you made a "qualified conservation contribution" as defined in section 170(h), show the fair market value of the underlying property before and after the contribution and the type of legal interest contributed, and describe the conservation purpose furthered by the contribution.

If a contribution carryover is included, show the amount and how it was determined.

Special rule for contributions of certain property

If you make a charitable contribution of property, the contribution must be reduced by the sum of the following:

1. the ordinary income, short-term capital gain, and

2. for certain contributions, 60.87% of the long-term capital gain that would have resulted if the property were sold at its fair market value. The reduction for 60.87% of the long-term capital gain applies to (a) contributions of tangible personal property to an exempt organization to use for a purpose or function unrelated to the basis for its exemption, and (b) contributions of any property to or for the use of certain private foundations. (Section 170(e).)

Line 20

Depreciation

Enter depreciation expense from Form 4562, Depreciation and Amortization. Enter amortization expense from Form 4562 on line 26.

For tax years beginning in 1982 and 1983, you may elect under code section 179 to expense or deduct up to $5,000 of certain recovery property. Form 4562 provides for this deduction. See instructions for Form 4562 for details.

Line 22

Depletion

See sections 613 and 613A for rates applicable to natural deposits.

Attach Form T (Timber), Forest Industries Schedules, if you claim a deduction for depletion of timber.

Line 24

Pension, profit-sharing, etc., plans

Employers who maintain a pension, profit-sharing, or other funded deferred compensation plan whether or not qualified under the Internal Revenue Code and whether or not a deduction is claimed for the current tax year, generally are required to file one of the forms listed below. Employers who maintain a section 401 (j) type plan in which employees or shareholder-employees are participants may not maintain a simplified employee pension plan (section 408(k)).

The Employee Retirement Income Security Act of 1974 imposes penalties for failure to file these forms on time.

Form 5500, Annual Return/Report of Employee Benefit Plan (With 100 or more participants).

Form 5500–C, Return/Report of Employee Benefit Plan (With fewer than 100 participants).

Form 5500–R, Registration Statement of Employee Benefit Plan. Filed on a rotating basis with Form 5500–C.

Only one return is required to be filed for a multiemployer-collectively-bargained plan. Contributing employers are not required to file separately.

See section 1379(b) for inclusion of excess contributions in gross income of the shareholder-employee beneficiary.

Line 25

Employee benefit programs

Enter the amount of contributions to employee benefit programs (such as insurance and health and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included in line 24.

Also include the corporation's contributions to a qualified group legal services plan established for the exclusive benefit of employees (including shareholders) or their spouses or dependents. Section 120 permits employees (including their spouses and dependents) to exclude from income employer contributions to a qualified group legal services plan.

Line 26

Other deductions

Include in line 26 the deduction taken for amortization. See Form 4562 for figuring amortization.

In most cases, you may not take a deduction for any part of any item allocable to a class of exempt income. The exception is certain parts of interest included by face-amount certificate companies registered under the Investment Company Act of 1940. (See section 265(2) for exceptions.) Items directly attributable to wholly exempt income must be allocated to that income. Items directly attributable to any class of taxable income must be allocated to that taxable income.

If an item is indirectly attributable both to taxable income and to exempt income, allocate a reasonable proportion of the item to each, based on all the facts in each case.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of expense items allocated to each such class. Show the amount allocated by apportionment separately.

In the case of a farming syndicate, a deduction for amounts paid for feed, seed, fertilizer, or other similar farm supplies is allowed only in the tax year in which these items are actually used or consumed. For definitions, exceptions to the general rule, and special rules for orchard and vineyard expenses, see section 278.

For special treatment of certain expenses incurred in the production of films, books, records, or similar property, see section 280.

If any part of a loss from section 465 activities was not distributed to shareholders for the corporation's 1981 tax year because of section 465 limits, that part of the loss is treated as a deduction allocated to the activity in 1982. (See section 465 and the instructions for line 28 for details.)

Note: Travel and entertainment.—Generally, the corporation can deduct all ordinary and necessary travel and entertainment expenses paid or incurred in its trade or business. However, it cannot deduct an expense paid or incurred for a facility (such as a yacht or hunting lodge) that is used for an activity that is usually considered entertainment, amusement, or recreation. (The corporation may be able to deduct the expenses if the amount is treated as compensation and reported on Form W-2 for an employee or on Form 1099 NEC for an independent contractor.) See **Publication 463**, Travel, Entertainment, and Gift Expenses, for more details.

Line 28

Taxable income

Special "at risk" rules apply to a subchapter S corporation engaged in any activity (except the holding of real property other than mineral property) as a trade or business or for the production of income. If applicable, these rules limit the corporate loss or losses to be entered on line 28. See section 465(a).

A corporation's section 465(d) loss from each activity for the tax year is limited to the amount for which the corporation is "at risk" for the activity at the end of the tax year. The corporation is considered "at risk" for an activity for amounts described in section 465(b)(1) and (2). The amounts borrowed are not considered to be "at risk" if they are excluded or excepted under section 465(b)(3) and (4).

If any activities of the corporation incur a loss for the year, figure each activity loss separately. Attach a schedule showing the amount at risk and gross income and deductions for each section 465 activity with a loss.

If the corporation sells or otherwise disposes of any part of an asset or interest in an activity to which the "at risk" rules apply, combine the gain or loss on the sale or disposition with the profit or loss from the activity to determine the net profit or loss from the activity.

If a loss from an activity is more than the amount for which the corporation is at risk, modify the amount that would otherwise be entered on line 28 for the excess. Pass through to the shareholders only the allowable loss (described above) for the tax year. Treat any loss from an activity not allowed under this section for the tax year as a deduction allocable to the activity in the following tax year.

Line 29a

If the corporation has always been a subchapter S corporation, the line 29a tax does not apply to the corporation. However, if the corporation has subchapter C earnings and profits at the close of its tax year, has passive investment income that is in excess of 25% of gross receipts, and has taxable income at year end, the corporation must pay a tax on the excess net passive income. Complete lines 1 through 3 below to determine if the corporation owes the tax. If line 2 is greater than line 3 and the corporation has taxable income, it must pay the tax. Complete separate schedule using the format of lines 1 through 10 to figure the tax. Enter the tax on line 29a, page 1, Form 1120S, and attach the computation schedule to Form 1120S.

1. Enter gross receipts for the tax year (see new section 1362(d)(3)(C) for receipts from the sale of capital assets . . . . ________
2. Enter passive investment income as defined in new section 1362(d)(3)(D) . . . . ________
3. Enter 25% of line 1 (If line 2 is greater than line 3 continue computation.) . . . . ________
4. Excess passive investment income—Subtract line 3 from line 2 . ________
5. Enter expenses directly connected with the production of income on line 2 (see new section 1375(b)(2)) ________
6. Net passive income—Subtract line 5 from line 2 . . . . ________
7. Divide amount on line 4 by amount on line 2 . . . . ________ %
8. Excess net passive income—Multiply line 6 by line 7 . . . . . ________
9. Enter taxable income (line 28, page 1, Form 1120S) . . . . ________
10. Tax on excess net passive income—Enter 46% of the smaller of line 8 or 9 . . . . ________

In addition to entering the tax on line 29a, the following special rules must be taken into account:

(1) If the corporation is subject to the capital gains tax under old section 1378, and capital gain income is taken into account in figuring the passive income, an adjustment, as explained in new section 1375(c)(2), must be made.

(2) (a) Prorate the new section 1375 tax for each item of passive income as explained in new section 1366(f)(3).

(b) Decrease the income reported on line 8 of Schedule K, page 3, Form 1120S, for the total new section 1375 tax attributable to all passive income items that are ordinary income in character.

(c) Decrease the income reported on line 9 of Schedule K, page 3, Form 1120S, for the total new section 1375 tax attributable to all passive income items that are capital gain income in character.

Line 29b

If net capital gain, line 8b, page 1, is $25,000 or less, the corporation is not liable for income tax or minimum tax. If net capital gain is more than $25,000, see Instructions for Part IV, Tax Computation of Schedule D (Form 1120S) to determine if the corporation is liable for income tax or minimum tax.

Line 30c

Overpaid windfall profit tax.—A corporation that has overpaid its windfall profit tax may claim credit for the overpayment on its income tax return. Use Form 6249, Computation of Overpaid Windfall Profit Tax, to figure the overpayment and attach the form to Form 1120S. Include the amount of overpayment in the total for line 30c, and identify it as overpaid windfall profit tax.

Schedule A

Cost of Goods Sold

Valuation methods

Your inventories can be valued at: (a) cost, (b) cost or market value (whichever is lower), or (c) any other method approved by the Commissioner of Internal Revenue, if that method conforms to the provisions of the applicable regulations cited below.

Taxpayers using erroneous valuation methods must change to a method permitted for Federal income tax purposes. To make this change file Form 3115. For more information about the change, see regulations section 1.446-1(e)(3) and Rev. Proc. 80-51, 1980-2 C.B. 818.

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In line 8a, check the method(s) used for valuing inventories. Under "lower of cost or market," market generally applies to normal market conditions when there is a current bid price prevailing at the date the inventory is valued. When no regular open market exists or when quotations are nominal because of inactive market conditions, use fair market prices from the most reliable sales or purchase transactions that occurred near the date the inventory is valued. For additional requirements, see regulations section 1.471–4.

Inventory may be valued below cost when the merchandise is unsalable at normal prices or unusable in the normal way because the goods are "subnormal" (that is because of damage, imperfections, shop wear, etc.) within the meaning of regulations section 1.471–2(c). Such goods may be valued at a current bona fide selling price less direct cost of disposition (but not less than scrap value) when the taxpayer can establish such a price. See regulations section 1.471–2(c) for additional requirements.

If this is the first year the "Last-in First-out" (LIFO) inventory method was either adopted or extended to inventory goods not previously valued under the LIFO method, as provided in section 472, attach Form 970, Application to Use LIFO Inventory Method, or a statement with Form 1120S and check the LIFO box in line 8b. In line 8c, enter the amount or percent (estimates may be used) of total closing inventories covered under section 472.

Full absorption method of inventory costing

If you are engaged in manufacturing or production, you must use the full absorption method of inventory costing. If you are not using it, you must change to this method. Under it, both direct and certain indirect production costs are included for inventory valuation purposes.

You must use Form 3115 to change to full absorption. For details, see Rev. Proc. 75–40, 1975–2 C.B. 571, and regulations section 1.471–11.

Cost of operations (when inventories are not an income-determining factor)

If the amount entered on line 2 of page 1, Form 1120S, includes an amount for the cost of operations, attach a schedule showing (1) salaries and wages and (2) other costs in detail.

Additional Information

Be sure to answer the questions and provide other information in items F through Q. The instructions that follow are keyed to these items.

Question L

Foreign financial accounts

Check the Yes box if either 1. or 2. below applies to you.

1. At any time during the year you had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country. *Exception.* Check No if either of the following apply to you:

- The combined value of the accounts was $1,000 or less during the whole year.
- The accounts were with a U.S. military banking facility operated by a U.S. financial institution.

2. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get Form 90–22.1, Report of Foreign Bank and Financial Account, to see if you are considered to have an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.

If you checked Yes for Question L, file Form 90–22.1 by June 30, 1983, with the Department of the Treasury at the address shown on the form. Form 90–22.1 is not a tax return, so do not file it with the IRS. But be sure to file your Form 1120S with the IRS.

You can get Form 90–22.1 from many IRS offices.

Question M

Foreign trusts

Check the Yes box if you were ever a grantor of, or a transferor to, a foreign trust that existed during the tax year.

Schedule K

Computation of Undistributed Taxable Income and Summary of Distributions and Other Items

Lines 1, 2, and 3

Undistributed taxable income is taxable income minus the sum of:

1. The amount of money distributed as dividends out of earnings and profits of the tax year, and

2. The taxes imposed by section 58 (d)(2) and 1378(a).

The following distributions are **not** used in figuring the amount on line 3:

1. Money distributions made within 2 months and 15 days after the close of the corporation's tax year (section 1375(f) distributions) that are distributions of that earlier year's undistributed taxable income to the extent of the shareholders' apportioned shares, and

2. Dividend distributions of property other than money.

Summary of Distributions and Other Items

On Form 1099–DIV, report—

a. Actual dividend distributions entered on lines 4, 5, and 6 of Schedule K.

b. Nondividend distributions shown on line 7 of Schedule K.

If an earlier actual distribution reported to shareholders as ordinary income on Form 1099–DIV is determined to be capital gain at the close of the corporation's tax year, the corporation must issue corrected Forms 1099–DIV to the shareholders.

The constructive dividends entered on lines 8 and 9 of Schedule K must be reported on Schedule K–1 (Form 1120S).

Line 4

Enter the actual dividend distributions of money or property that are out of current earnings and profits and that are taxable as ordinary income.

Dividends are any distributions of property (including cash) made by a corporation to shareholders out of earnings and profits. Generally, earnings and profits are not the same as taxable income. See section 312 for adjustments that must be used to figure earnings and profits.

Line 5

Enter actual dividend distributions that the shareholders are to treat as a long-term capital gain after tax. (See section 1375 and regulations section 1.1375–1.)

Line 6

Only dividends that are **not** considered to be out of the earnings and profits of the tax year qualify for the dividend exclusion. For purposes of this rule, the earnings and profits of the tax year are considered not to be more than taxable income for the year. The dividends entitled to the exclusion include, for example, dividends paid out of accumulated earnings and profits.

Line 7

Enter the total amount of distributions of money and property not out of earnings and profits.

For tax years after the first tax year to which the Subchapter S election applies, include any distribution of undistributed taxable income previously taxed to shareholders as allowed by section 1375(d). See section 1377 to find out whether a distribution is out of the corporation's undistributed taxable income previously taxed to shareholders.

Section 1375(f) states that money distributions made within 2 months and 15 days after the close of the tax year are treated as non-dividend distributions of that year's undistributed taxable income to the extent they are not more than the shareholders' shares of undistributed taxable income for that year. Calendar year 1982 corporations report these distributions in the year they are made. For example, if a 1982 calendar year corporation makes a section 1375(f) distribution on February 1, 1983, this distribution is reported as a non-dividend distribution on Schedule K of the 1983 Form 1120S, and as a nontaxable distribution on the 1983 Form 1099–DIV.

Effective for section 1375(f) distributions made after June 30, 1983, a corporation is required to withhold 10% of the amount of the distribution. Corporate shareholders are allowed a credit for the amount withheld for their tax years beginning in the calendar year in which the preceding year of the corporation ends. Accordingly, fiscal year 1982–1983 corporations must report section 1375(f) distributions (and amount withheld) for the calendar year in which the preceding tax year of the corporation ends. For example, if the corporation's year ends October 31, 1983, and a section 1375(f)

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distribution was made on January 14, 1984, the distribution must be reported as a nondividend distribution on Schedule K of the **1982** Form 1120S, and as a nontaxable distribution on the **1983** Form 1099–DIV. See sections 1375(f), 3454(b) and 31(d)(2) for details.

Line 8

Enter the part of undistributed taxable income that the shareholders are to treat as ordinary income. The undistributed taxable income is the amount that the shareholders would have received as a dividend if the income had been distributed to them on the last day of the corporation's tax year. See instructions for line 29a of page 1, Form 1120S.

A dividend distribution of property other than money may cause the corporation's undistributed taxable income (line 3) to be more than the total of lines 8 and 9. (See regulations section 1.1373–1(e).)

If there is a net operating loss for the tax year, enter it here.

Line 9

Enter on line 9 the part of undistributed taxable income that is long-term capital gain after tax. See instructions for line 29a of page 1, Form 1120S. (See section 1375 and regulations section 1.1375–1.)

Line 10

If the corporation acquired or constructed regular or energy investment credit property during the tax year, the corporation must complete certain parts of Form 3468, Computation of Investment Credit, and attach it to Form 1120S. See Instructions for Form 3468 for details.

Effective for investment credit property (or energy credit property) placed in service after February 18, 1981, a subchapter S corporation's basis and cost of investment credit property is limited to the amount the corporation is at risk for the property at year end. See Instructions for Form 3468 for details.

Generally, for property placed in service after December 31, 1982, the corporation must reduce the basis of regular and energy investment credit property by half of any investment credit allowable for the property. The basis reduction is **not** required for certain investment credit property if the corporation elects to take a reduced credit. If the election is made, each shareholder must be notified. See section 48(q) and the Instructions for Form 3468.

Line 11

List the amounts of interest on investment debt, and the applicable items below that were included in figuring the taxable income (or loss) for the corporation:
(1) net investment income or (loss);
(2) excess expenses over rental income from net lease property; and (3) net capital gain (excess net long-term capital gain over net short-term capital loss) from investment property.

Allocate the interest on investment debt to the period in which the debt was incurred. The periods are:
(1) before December 17, 1969; (2) between December 17, 1969, and September 10, 1975; and (3) after September 10, 1975.

Shareholders must be notified of their share of the above information to figure their limit on interest on investment debt at the shareholder level. (See Form 4952, Investment Interest Expense Deduction, and section 163(d).)

Line 12

List the amount of each tax preference item that is included in figuring the taxable income of the corporation.

Line 12c.—For amortization of certain rehabilitation expenditures for certified historic structures, certain pollution control facilities, on-the-job training facilities, and child care facilities: enter the amount by which the amortization the corporation took for 1982 is more than the depreciation deduction otherwise allowable. (For certified historic structures, this can only be straight-line method.)

Amortization of on-the-job training facilities and child care facilities are no longer tax preference items for tax years beginning in 1983. Accordingly, if your corporate tax year ends after December 31, 1982, and amounts attributable to these items are included in line 12c, attach a schedule to Form 1120S to show these amounts separately. Also attach a statement to Schedule K–1 (Form 1120S) to show each shareholder's share of line 12c amortization for on-the-job training facilities and child care facilities.

Line 12g.—Line 12g applies only to fiscal year corporations with tax years ending after December 31, 1982. These filers are to complete and attach a schedule to Form 1120S, and to Schedule K–1 (Form 1120S), showing the amount spent for the following items: (1) excess mining exploration and development costs, (2) excess circulation and research and experimental expenditures, and (3) incentive stock options. (See section 57(a)(5) and (6) for details.)

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Although these amounts are used in figuring the taxable income of the corporation, they are subject (with certain reductions) to a minimum tax (alternative minimum tax in the case of the net capital gain tax preference item) at the shareholder level. The shareholder must take these amounts into account along with similar items of tax preference from all other sources in preparing Form 4625, Computation of Minimum Tax—Individuals (Form 4626 for a shareholder who is an estate or trust) and Form 6251, Alternative Minimum Tax Computation.

Line 13

Line 13a.—Enter the jobs credit figured by the corporation on Form 5884. The credit is figured at the corporate level and then apportioned to persons who are shareholders of the corporation on the last day of the corporation's tax year. Attach Form 5884 to Form 1120S.

See Form 5884 for information about the jobs credit.

Line 13b.—Enter the credit for alcohol used as fuel figured by the corporation on Form 6478, Credit for Alcohol Used as Fuel. The credit is figured at the corporate level and then apportioned to persons who are shareholders of the corporation on the last day of the corporation's tax year. Attach Form 6478 to Form 1120S.

See Form 6478 for information about the credit for alcohol used as fuel.

Line 13c.—The following credits are also figured at the corporate level and then apportioned to persons who are shareholders of the corporation on the last day of the corporation's tax year:

1. Credit for increasing research activities
2. Nonconventional source fuel credit
3. Unused regular investment credit
4. Unused energy investment credit
5. Credit for withholding on interest and dividends or patronage dividends paid to the corporation.

The credit for increasing research activities is figured by the corporation on Form 6765, Credit for Increasing Research Activities. Attach Form 6765 to Form 1120S. See Form 6765 for details about the research credit.

The nonconventional source fuel credit is figured by the corporation on a separate schedule prepared by the corporation. This computation schedule must also be attached to Form 1120S. See section 44D for computation provisions and other special rules for figuring this credit.

If the corporation is a member of a cooperative that passes an unused regular investment credit or unused energy investment credit through to its members, these credits are in turn passed through to its shareholders.

If tax withholdings were made on dividends, interest, or patronage dividends paid to the corporation during the tax year, the total amount withheld is passed to shareholders at year end.

If the corporation has only one of the above 5 credits, enter the amount of the credit in the amount column of line 13c and identify the type of credit in the space to the left of the amount. If the corporation has more than one credit, enter and identify one credit on line 13c and identify and list the amount(s) of the other credit(s) below line 13c. Also enter each shareholder's apportioned share of these credits at the bottom of Part V of Schedule K–1 (Form 1120S).

Schedule K-1

Shareholder's Share of Undistributed Taxable Income, etc.

Complete a separate Schedule K–1 (Form 1120S) for each shareholder, and file Copy A with Form 1120S.

Under section 6676, there is a $50 penalty for not giving the identifying number of each shareholder.

Schedule K–1 (Form 1120S) must show complete information for everyone who was a shareholder of the corporation during any part of the tax year.

Other Shareholder Information

Column A

If the number of shares that a shareholder owns changed during the year, attach a statement showing the number of shares held for each period.

Column B

Enter the compensation paid to each shareholder. Include any excess contributions to a pension, profit-sharing, etc., plan made on behalf of a shareholder-employee. Excess contributions are those deductible by the corporation under section 404(a)(1), (2), or (3) which are more than the smaller of:

1. 15% of the compensation the shareholder-employee received or accrued from the corporation during its tax year, or
2. $15,000.

A shareholder-employee of the corporation is an employee or officer who owns (or, under section 318(a)(1), is considered to own) more than 5% of the corporation's outstanding stock on any day of its tax year. The excess contribution rule does not apply to contributions to a trust described in section 401(j). (See section 1379(b).)

PART I

Income

Line 1

Enter each shareholder's share of undistributed taxable income (or loss) reported on line 8 of Schedule K, page 3, Form 1120S.

Any section 465 activity losses included on line 28 of Form 1120S must be included on line 1, Part I, and also entered on line 3, Part I. The entry on line 3 is only for information purposes to help the shareholder determine how much section 465 activity loss the shareholder may deduct on his or her tax return.

Line 2

Enter on line 2 each shareholder's share of undistributed taxable income reported on line 9 of Schedule K, page 3, Form 1120S.

See section 1375 and regulations section 1.1375–1 concerning special rules applicable to distributions of subchapter S corporations.

Line 3

If a section 465 activity incurs an operating loss for the year, enter each shareholder's prorated share of the loss on line 3. If there is more than one activity loss to enter on line 3, attach a schedule listing each loss separately.

For more information concerning section 465 activity loss limits, see instructions for line 28 of Form 1120S.

Line 4

Enter the amount of loan repayments for loans the corporation borrowed from the shareholder (line 18 of Schedule L of Form 1120S—Loans from shareholders).

PART II

Interest on Investment Indebtedness

Each shareholder must be notified of his or her share of interest on investment debt and the applicable items below that were included in figuring the taxable income (or loss) for the corporation: (1) net investment income or (loss), (2) excess expenses over rental income from net lease property, and (3) net capital gain from investment property.

On line 1, allocate the interest on investment debt to the period in which the debt was incurred. For more information, see Form 4952.

PART III

Items of Tax Preference

Enter the shareholder's share of tax preference items listed in Part III. The items of tax preference, except capital gains, are apportioned to each shareholder on a daily basis and not as of the end of the year. This manner is consistent with the way net operating losses are apportioned under section 1374. See the instructions for line 12 of Schedule K of Form 1120S for details.

PART IV

Property Eligible for Investment Credit

Enter the shareholder's share of the corporation's investment in certain depreciable property.

In addition to the regular investment credit property reported in Part IV of Schedule K–1, attach a separate schedule showing the shareholder's share of the corporation's investment in:

- Qualified nonrecovery and energy property, and
- If qualified rehabilitation expenditures are made for improvements on more than one qualified building so as to qualify for different credit rates (10%, 15%, 20%, or 25%), list the expenditures on a separate statement. List the amounts and identify to the left of the amount column the line number of Form 3468 on which the expenditure should be entered.

PART V

Credits

Enter on line 1 the shareholder's share of the jobs credit the corporation figured on Form 5884. Enter on line 2 the shareholder's share of the credit for alcohol used as a fuel that the corporation figured on Form 6478.

Enter and identify other credits on or below line 3 as explained in the Instruction for line 13 of Schedule K of Form 1120S.

Investment Credit Property Used in Figuring Recapture Tax

If the corporation disposed of (or if property otherwise ceases to be qualified property) investment credit property (or energy property) before the "recovery period" or "life years" assigned to the property for investment credit purposes, the shareholders of the corporation may have to recapture or pay back the investment credit taken in prior years.

The corporation must attach a separate statement to Schedule K–1 to notify each shareholder of the premature disposal of investment credit property. The statement must contain the following information:

1. A brief description of the property (indicate if qualified progress expenditure property).
2. Type (recovery or nonrecovery property).
3. Shareholder's share of basis or cost of property at time property was placed in service.
4. Date placed in service.
5. Date property was disposed of.
6. Estimated life years or recovery period when placed in service.

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Codes for Principal Business Activity

These industry titles and definitions are based, in general, on the Standard Industrial Classification System authorized by the Regulatory and Statistical Analysis Division, Office of Information and Regulatory Affairs, Office of Management and Budget, to classify enterprises by type of activity in which they are engaged. The system follows closely the Standard Industrial Classification used to classify establishments.

Using the list below, enter on page 1, under B, the code number for the specific industry group from which the largest percentage of "total receipts" is derived. "Total receipts" means gross receipts (line 1a, page 1) plus all other income (lines 4 through 10, page 1). On page 2, under G, state the principal business activity and principal product or service that account for the largest percentage of total receipts. For example, if the principal business activity is "Grain mill products," the principal product or service may be "Cereal preparations."

Agriculture, Forestry, and Fishing

Code

0400 Agricultural production.
0600 Agricultural services (except veterinarians), forestry, fishing, hunting, and trapping.

Mining

Metal mining:

1010 Iron ores.
1070 Copper, lead and zinc, gold and silver ores.
1098 Other metal mining.
1150 Coal mining.

Oil and gas extraction:

1330 Crude petroleum, natural gas, and natural gas liquids.
1380 Oil and gas field services.

Nonmetallic minerals (except fuels) mining:

1430 Dimension, crushed and broken stone; sand and gravel.
1498 Other nonmetallic minerals, except fuels.

Construction

General building contractors and operative builders:

1510 General building contractors.
1531 Operative builders.
1600 Heavy construction contractors.

Special trade contracters:

1711 Plumbing, heating, and air conditioning.
1731 Electrical work.
1798 Other special trade contractors.

Manufacturing

Food and kindred products:

2010 Meat products.
2020 Dairy products.
2030 Preserved fruits and vegetables.
2040 Grain mill products.
2050 Bakery products.
2060 Sugar and confectionery products.
2081 Malt liquors and malt.
2088 Alcoholic beverages, except malt liquors and malt.
2089 Bottled soft drinks, and flavorings.
2096 Other food and kindred products.
2100 Tobacco manufacturers.

Textile mill products:

2228 Weaving mills and textile finishing.
2250 Knitting mills.
2298 Other textile mill products.

Apparel and other textile products:

2315 Men's and boys' clothing.
2345 Women's and children's clothing.
2388 Hats, caps, millinery, fur goods, and other apparel and accessories.
2390 Misc. fabricated textile products.

Lumber and wood products, except furniture:

2415 Logging camps and logging contractors, sawmills and planing mills.
2430 Millwork, plywood, and related products.
2498 Other wood products, including wood buildings and mobile homes.
2500 Furniture and fixtures.

Paper and allied products:

2625 Pulp, paper, and board mills.
2699 Other paper products.

Printing, publishing, and allied industries:

2710 Newspapers.
2720 Periodicals.
2735 Books, greeting cards, and misc. publishing.
2799 Commercial and other printing, and printing trade services.

Code

Chemicals and allied products:

2815 Industrial chemicals, plastics materials and synthetics.
2820 Drugs.
2840 Soap, cleaners, and toilet goods.
2850 Paints and allied products.
2898 Agricultural and other chemical products.

Petroleum refining and related industries (including those integrated with extraction):

2910 Petroleum refining (including those integrated with extraction).
2998 Other petroleum and coal products.

Rubber and misc. plastics products:

3050 Rubber products; plastics footwear, hose and belting.
3070 Misc. plastics products.

Leather and leather products:

3140 Footwear, except rubber.
3198 Other leather and leather products.

Stone, clay, glass, and concrete products:

3225 Glass products.
3240 Cement, hydraulic.
3270 Concrete, gypsum, and plaster products.
3298 Other nonmetallic mineral products.

Primary metal industries:

3370 Ferrous metal industries; misc. primary metal products.
3380 Nonferrous metal industries.

Fabricated metal products, except machinery, and transportation equipment:

3410 Metal cans and shipping containers.
3428 Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products.
3430 Plumbing and heating, except electric and warm air.
3440 Fabricated structural metal products.
3460 Metal forgings and stampings.
3470 Coating, engraving, and and allied services.
3480 Ordnance and accessories, except vehicles and guided missiles.
3490 Misc. fabricated metal products.

Machinery, except electrical:

3520 Farm machinery.
3530 Construction, mining, and materials handling machinery and equipment.
3540 Metalworking machinery.
3550 Special industry machinery, except metalworking machinery.
3560 General industrial machinery.
3570 Office, computing, and accounting machines.
3598 Engines and turbines, service industry machinery, and other machinery, except electrical.

Electrical and electronic machinery, equipment, and supplies:

3630 Household appliances.
3665 Radio, television, and communication equipment.
3670 Electronic components and accessories.
3698 Other electric equipment.

Transportation equipment:

3710 Motor vehicles and equipment.
3725 Aircraft, guided missiles and parts.
3730 Ship and boat building and repairing.
3798 Other transportation equipment.

Measuring and controlling instruments; photographic and medical goods, watches and clocks:

3815 Scientific instruments and measuring devices; watches and clocks.

Code

3845 Optical, medical, and ophthalmic goods.
3860 Photographic equipment and supplies.
3998 Other manufacturing products.

Transportation, Communication, Electric, Gas, and Sanitary Services

Transportation:

4000 Railroad transportation.
4100 Local and interurban passenger transit.
4200 Trucking and warehousing.
4400 Water transportation.
4500 Transportation by air.
4600 Pipe lines, except natural gas.
4700 Other transportation services.

Communication:

4825 Telephone, telegraph, and other communication services.
4830 Radio and television broadcasting.

Electric, gas, and sanitary services:

4910 Electric services.
4920 Gas production and distribution.
4930 Combination utility services.
4990 Water supply and other sanitary services.

Wholesale Trade

Durable:

5008 Machinery, equipment, and supplies.
5010 Motor vehicles and automotive equipment.
5020 Furniture and home furnishings.
5030 Lumber and construction materials.
5040 Sporting, recreational, photographic, and hobby goods, toys and supplies.
5050 Metals and minerals, except petroleum and scrap.
5060 Electrical goods.
5070 Hardware, plumbing and heating, equipment.
5098 Other durable goods.

Nondurable:

5110 Paper and paper products.
5129 Drugs, drug proprietaries, and druggists' sundries.
5130 Apparel, piece goods, and notions.
5140 Groceries and related products.
5150 Farm-product raw materials.
5160 Chemicals and allied products.
5170 Petroleum and petroleum products.
5180 Alcoholic beverages.
5190 Misc. nondurable goods.

Retail Trade

Building materials, hardware, garden supply, and mobile home dealers:

5220 Building materials dealers.
5251 Hardware stores.
5265 Garden supplies and mobile home dealers.
5300 General merchandise stores.
5410 Grocery stores.
5490 Other food stores.

Automotive dealers and service stations:

5515 Motor vehicle dealers.
5541 Gasoline service stations.
5598 Other automotive dealers.
5600 Apparel and accessory stores.
5700 Furniture and home furnishings stores.
5800 Eating and drinking places.

Misc. retail stores:

5912 Drug stores and proprietary stores.
5921 Liquor stores.
5995 Other misc. retail stores.

Finance, Insurance, and Real Estate

Code

Banking:

6030 Mutual savings banks.
6060 Bank holding companies.
6090 Banks, except mutual savings banks and bank holding companies.

Credit agencies other than banks:

6120 Savings and loan associations.
6140 Personal credit institutions.
6150 Business credit institutions.
6199 Other credit agencies.

Security, commodity brokers, dealers, exchanges, and services:

6210 Security brokers, dealers, and flotation companies.
6299 Commodity contracts brokers and dealers; security and commodity exchanges; and allied services.

Insurance:

6355 Life insurance.
6356 Mutual insurance, except life or marine and certain fire or flood insurance companies.
6359 Other insurance companies.
6411 Insurance agents, brokers, and services.

Real Estate:

6511 Real estate operators (except developers) and lessors of buildings.
6516 Lessors of mining, oil, and similar property.
6518 Lessors of railroad property and other real property.
6530 Condominium management and cooperative housing associations.
6550 Subdividers and developers.
6599 Other real estate.

Holding and other investment companies:

6742 Regulated investment companies.
6743 Real estate investment trusts.
6744 Small business investment companies.
6749 Holding and other investment companies, except bank holding companies.

Services

7000 Hotels and other lodging places.
7200 Personal services.

Business services:

7310 Advertising.
7389 Business services, except advertising.

Auto repair and services; misc. repair services:

7500 Auto repair and services.
7600 Misc. repair services.

Amusement and recreational services:

7812 Motion picture production, distribution, and services.
7830 Motion picture theaters.
7900 Amusement and recreation services, except motion pictures.

Other services:

8015 Offices of physicians, including osteopathic physicians.
8021 Offices of dentists.
8040 Offices of other health practitioners.
8050 Nursing and personal care facilities.
8060 Hospitals.
8071 Medical laboratories.
8099 Other medical services.
8111 Legal services.
8200 Educational services.
8300 Social services.
8600 Membership organizations.
8911 Architectural and engineering services.
8930 Accounting, auditing, and bookkeeping.
8980 Miscellaneous services (including veterinarians).

Proof as of Nov. 1
(subject to change)

Units by Principal Business Activity

SCHEDULE D
(Form 1120S)
Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to your tax return.

▶ For Paperwork Reduction Act Notice, see page 1 of instructions for Form 1120S.

OMB No. 1545-0130

1982

Name

Employer identification number

Part I Short-term Capital Gains and Losses—Assets Held One Year or Less

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price less expense of sale	e. Cost or other basis	f. Gain or (loss) (d less e)
1					

2 Short-term capital gain from installment sales from Form 6252, line 21 or 29 . . .	2	
3 Unused capital loss carryover (attach computation) . . .	3	
4 Net short-term capital gain or (loss) (combine lines 1, 2, and 3) . . .	4	

Part II Long-term Capital Gains and Losses—Assets Held More Than One Year

5 Enter section 1231 gain from line 5(a)(1), Form 4797 . . .	5	

6					

Proof as of Nov. 1
(Subject to change)

7 Long-term capital gain from installment sales from Form 6252, line 21 or 29 . . .	7	
8 Net long-term capital gain or (loss) (combine lines 5, 6, and 7) . . .	8	

Part III Summary of Schedule D Gains and Losses

9 Excess of net short-term capital gain (line 4) over net long-term capital loss (line 8). Enter here and on Form 1120S, page 1, line 8a . . .	9	
10 Net capital gain—Enter excess of net long-term capital gain (line 8) over net short-term capital loss (line 4). Enter here and on Form 1120S, page 1, line 8b . . .	10	

Part IV Tax Computation (See Instructions)

11 Taxable income (Form 1120S, page 1, line 28) . . .	11	
12 Enter tax on line 11 amount as computed in the instructions for line 12 . . .	12	
13 Net capital gain from line 10 above . . .	13	
14 $25,000 (statutory minimum) . . .	14	$25,000
15 Subtract line 14 from line 13 . . .	15	
16 Enter 28% of line 15 . . .	16	
17 Income tax on capital gains—Enter the smaller of line 12 or line 16 . . .	17	
18 Minimum tax (see instructions—attach Form 4626) . . .	18	
19 Total tax—Add lines 17 and 18. Enter here and on Form 1120S, page 1, line 29b . . .	19	

Instructions

(References are to the Internal Revenue Code.)

Purpose

Schedule D should be used by corporations to report sales or exchanges of capital assets. Sales or exchanges of property other than capital assets, including property used in a trade or business, involuntary conversions (other than casualties or thefts), and gain from the disposition of interest in oil, gas, or geothermal property, should be reported on Form 4797, Supplemental Schedule of Gains and Losses. See the instructions for Form 4797 for more information.

If property is involuntarily converted because of a casualty or theft, use Form 4684, Casualties and Thefts.

Parts I and II

Generally, you should report sales and exchanges, including like-kind exchanges, even though there is no gain or loss. In Part I report the sale or exchange of capital assets held one year or less. In Part II report the sale or exchange of capital assets held more than one year.

What are Capital Assets.—Each item of property held by a corporation (whether or not connected with its trade or business) is a capital asset except:

1. Assets that can be inventoried or property held mainly for sale to customers.
2. Depreciable or real property used in the trade or business.
3. Certain copyrights, literary, musical, or artistic compositions, letters or memorandums, or similar property.
4. Accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property described in 1, above.
5. Certain short-term Federal, State, and municipal obligations acquired before June 24, 1981. (See section 1232(a)(4) for treatment after June 23, 1981.)
6. A U.S. Government publication (including the Congressional Record), received from the Government or any of its agencies other than by purchase at the public sale price, held by a taxpayer who received the publication, or by a second taxpayer in whose hands the basis of the publication is determined, for purposes of determining gain from a sale or exchange, by referring to its basis in the hands of the first taxpayer.

Exchange of like-kind property.—Report the exchange of "like-kind" property on Schedule D or on Form 4797, whichever applies. You must report it even though no gain or loss is recognized when you exchange business or investment property for property of "like kind." (This does not include stock in trade or other property held primarily for sale. It also does not include stocks, bonds, notes, choses in action, certificates of trust or beneficial interest, or other securities or evidences of indebtedness or interest.)

If you use Schedule D, identify the property you disposed of in column a. Enter the date you acquired it in column b, and the date you exchanged it in column c. Write "like-kind exchange" in column d.

Enter the cost or other basis in column e. Enter zero in column f.

Special Rules for the Treatment of Certain Gains and Losses

- **Gain from installment sales.**—Except as explained below, if you sold property at a gain this year and will receive any payment in a later tax year, you must use the installment method to report your gain. You must file Form 6252, Computation of Installment Sale Income, to report the sale and gain as payments are received.

Electing out.—You may elect out of the installment method by doing the following on a timely filed return (including extensions):

(1) Enter in the margin of Schedule D, next to the sale, "I elect out of the installment method."

(2) If you received a note or other obligation and are reporting it at less than face value, state that fact in the margin and give the percentage of valuation.

Also use Form 6252 if you received a payment in 1982 from a sale made in an earlier year on the installment basis. For additional information, get Publication 537, Installment Sales.

- **Gains and losses on regulated futures and straddle positions.**—Generally, regulated futures contracts open at the end of the year, or terminated during the year are treated as 60% long-term and 40% short-term regardless of how long the contracts were held. In addition, losses from straddle positions are not allowed if the wash sale rules apply or if the losses are deferred to the extent of any unrealized gains on open offsetting positions. Use Form 6781, Gains and Losses From Commodity Futures Contracts and Straddle Positions, to report gains and losses from regulated futures contracts and straddles.
- **Gain or loss on an option to buy or sell property.**—See section 1234 for the rules that apply to a purchaser or grantor of an option.
- **Gain or loss from a short sale of property.**—Report the gain or loss to the extent that the property used to close the short sale is considered a capital asset in the hands of the taxpayer. A loss from a wash sale of stock or securities or from certain transactions between related persons is not deductible. (Sections 1091 and 267.)
- **Loss from securities that are capital assets that become worthless during the year.**—Except for securities held by a bank, treat the loss as a capital loss as of the last day of the tax year. (See section 582 for the rules on the treatment of securities held by a bank.)

How to Determine the Cost or Other Basis of the Property

In determining gain or loss, the basis of property will generally be its cost (section 1012). The exceptions to the general rule are provided in sections contained in subchapters C, K, O, and P of the Code. For example, if the corporation acquired the property by dividend, liquidation of another corporation, transfer from a shareholder, reorganization, contribution or gift, bequest, bankruptcy, tax-free exchange, involuntary conversion, or wash sale of stock, see sections 301, 334, 362 (or 358), 1015, 1014, 572 (or 374), 1031, 1033, and 1091, respectively. Attach an explanation if you use a basis other than actual cash cost of the property.

If you are allowed a charitable contribution deduction because you sold property to a charitable organization, figure the adjusted basis for determining gain from the sale by dividing the amount realized by the fair market value and multiplying that result by the adjusted basis.

Capital Losses.—Capital losses are allowed only to the extent of capital gains. However, you may carry a net capital loss forward as a short-term capital loss for 5 years (10 years to the extent the loss is from a foreign expropriation loss) or until exhausted, whichever comes first.

At risk limitations (section 465).—If the corporation sold or exchanged an asset used in an activity to which the at risk rules apply, combine the gain or loss on the sale or exchange with the profit or loss from the activity. If the corporation has a net loss from the activity, it may be subject to the at risk rules.

Part III—Summary of Schedule D Gains and Losses

Proof as of Nov. 1 (Subject to change)

If the net long-term capital gain is more than the net short-term capital loss, there is a net capital gain. If this gain exceeds $25,000, the corporation may be liable for an income tax on the gain. Answer the questions in the instructions for Part IV below to determine if the corporation is liable for income tax on the gain. If the corporation is liable for income tax, it may also be liable for the minimum tax. See Form 4626, Computation of Minimum Tax—Corporations and Fiduciaries.

Part IV—Tax Computation

Section 1378 imposes a tax on certain capital gains of an electing small business corporation.

By answering the following questions, you can determine if you are liable for the tax. If your net capital gain is more than $25,000, and you are not liable for the tax, you must answer questions A through D below as your explanation of why you are not liable for the tax.

If answers to questions A, B, and C or questions A, B, and D are "Yes," the tax applies and you must complete Part IV of Schedule D (Form 1120S). Otherwise, you are not liable for the tax.

A. Is taxable income (Form 1120S, page 1, line 28) more than $25,000?

☐ Yes ☐ No

B. Is net capital gain (line 10, Part III, Schedule D (Form 1120S)) more than $25,000, and more than 50% of taxable income (Form 1120S, page 1, line 28)?

☐ Yes ☐ No

C. Have you been other than an 1120S corporation at any time during the 3 tax years just before this year or since existence, if less than 4 years?

☐ Yes ☐ No

D. If answer to question C is "No," does any long-term capital gain (line 8, Schedule D (Form 1120S)) represent gain from property described in each of items 1, 2, and 3 below?

☐ Yes ☐ No

1. Property was acquired during the tax year or within 36 months before the tax year;
2. Property was acquired, directly or indirectly, from a corporation that was not in existence as an 1120S corporation during the tax year or within 36 months before the tax year up to the time of the acquisition; and
3. Property has a substituted basis to you. (A substituted basis is one determined by reference to its basis in the hands of the transferor corporation.)

If the answer to question D is "Yes," and the tax is applicable, multiply by 28% the net capital gain from property described in question D. If this amount is less than the tax figured on line 12, Part IV, enter this amount on line 17, Part IV, and write to the right of the amount, "Substituted basis." Attach the computation of the substituted basis amount to Schedule D (Form 1120S). (See section 1378(c)(3).)

For purposes of questions C and D above, a corporation is not considered to be in existence for any tax year before the first tax year in which the corporation has shareholders, acquires assets, or begins business, whichever occurs first.

Members of a Controlled Group.—If the corporation is a component member of a controlled group of corporations, see section 1561 and related regulations for rules on how to allocate the amounts on lines (b), (d), (f), and (h) in the instruction for line 12 below.

Line 12.—If the tax computation is applicable, figure the regular corporate income tax below and enter this amount on line 12 of Schedule D.

(a) Taxable income (Form 1120S, page 1, line 28) . . . . . ______

(b) Enter $25,000 (members of a controlled group, see prior instructions) . . . . ______

(c) Subtract line (b) from line (a) . ______

(d) Enter line (c) or $25,000, whichever is smaller (members of a controlled group, see prior instructions) . . . . ______

(e) Subtract line (d) from line (c) . ______

(f) Enter line (e) or $25,000, whichever is smaller (members of a controlled group, see prior instructions) . . . . ______

(g) Subtract line (f) from line (e) . ______

(h) Enter line (g) or $25,000, whichever is smaller (members of a controlled group, see prior instructions) . . . . ______

(i) Subtract line (h) from line (g) . ______

(j) Enter 16% of line (b) . . . ______

(k) Enter 19% of line (d) . . . ______

(l) Enter 30% of line (f) . . . ______

(m) Enter 40% of line (h) . . . ______

(n) Enter 46% of line (i) . . . ______

(o) Total—Add lines (j) through (n). Calendar year corporations enter here and on line 12 of Schedule D. (Fiscal year corporations continue computation.) . . . . ______

(p) Enter 15% of line (b) . . . ______

(q) Enter 18% of line (d) . . . ______

(r) Add lines (l), (m), (n), (p) and (q) . . . . ______

(s) Line (o) times fraction below: $\frac{\text{\# of days in tax year before 1/1/83}}{\text{\# of days in the tax year}}$ ______

(t) Line (r) times fraction below: . $\frac{\text{\# of days in tax year after 12/31/82}}{\text{\# of days in the tax year}}$ ______

(u) Total—Add lines (s) and (t). Enter here and on line 12 of Schedule D . . . . ______

Note: *If for any reason the computation for line 12 is made on a separate schedule, attach the schedule to Schedule D (Form 1120S).*

Line 18.—Minimum tax on tax preference items.—Electing small business corporations are subject to the minimum tax only for the capital gains item of tax preference and only to the extent that the gains are subject to the tax imposed by section 1378. Corporations having such capital gains of more than $10,000 must attach Form 4626 to Form 1120S.

SCHEDULE K-1
(Form 1120S)
Department of the Treasury
Internal Revenue Service

Shareholder's Share of Undistributed Taxable Income, etc.—1982

For calendar year 1982 or other tax year

beginning ...., 1982, ending ...., 19........

(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

Copy A
File with
Form 1120S

Proof as of Nov. 1
(Subject to change)

Shareholder's identifying number ▶	Corporation's identifying number ▶
Shareholder's name, address, and ZIP code	Corporation's name, address, and ZIP code

	A. Stock ownership			B. Compensation	C. Percentage of time devoted to business
	Number of shares	Period held			
		Date acquired	Date of disposition		
Other Shareholder Information:					

Part I Income

	(a) Amount	(b) Form 1040 references; for Form 1041, see Instruction A.
1 Undistributed taxable income—ordinary income or (loss)		Schedule E, Part II
(If line 1 is a loss, see instruction C for deductible amount.)	▨	▨
2 Undistributed taxable income—net long-term capital gain (after tax)		Schedule D, Part II
3 Shareholder's share of losses from section 465 activities (see instruction D) . .		▨
4 Amount of loan repayments for "Loans from Shareholders" (see instruction E) . .		▨

Part II Interest on Investment Indebtedness (See Instruction A)

		Form 4952 references
1 (a) Interest on investment indebtedness incurred before 12–17–69		line 1
(b) Interest on investment indebtedness incurred before 9–11–75 but after 12–16–69 . .		line 15
(c) Interest on investment indebtedness incurred after 9–10–75		line 5
2 Net investment income or (loss)		line 2 or 10
3 Excess expenses from "net lease property"		lines 11 and 19
4 Net capital gain attributable to investment property		line 20

Part III Items of Tax Preference

		Form 4625 references
1 Accelerated depreciation on real property:	▨	▨
(a) Low-income rental housing (section 167(k))		line 1(a)(1)
(b) Other real property that is nonrecovery property or 15-year real property . .		line 1(a)(2)
2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property		line 1(b)
3 Amortization		line 1(c)
4 Reserves for losses on bad debts of financial institutions		line 1(d)
5 Depletion		line 1(e)
6 Intangible drilling costs		line 1(f)
7 Other (see instructions) (attach schedule)	▨	▨
8 Net capital gain (after tax) (see instructions)		▨

Part IV Property Eligible for Investment Credit

			Form 3468 references
Unadjusted basis of new recovery property	(a) 3-Year		line 1(a)
	(b) Other		line 1(b)
Unadjusted basis of used recovery property	(c) 3-Year		line 1(c)
	(d) Other		line 1(d)
Nonrecovery property (see instructions) (attach schedule)		▨	▨
New commuter highway vehicle			line 3
Used commuter highway vehicle			line 4
Qualified rehabilitation expenditures (see instructions)			▨

Part V Credits

1 Jobs credit		Form 5884
2 Credit for alcohol used as fuel		Form 6478
3 Other (see instructions)		▨

For Paperwork Reduction Act Notice, see page 1 of Instructions for Form 1120S.

SCHEDULE K--1
(Form 1120S)
Department of the Treasury
Internal Revenue Service

Shareholder's Share of Undistributed Taxable Income, etc.—1982

For calendar year 1982 or other tax year
beginning ...., 1982, ending ...., 19........
(Do Not File—Keep For Your Records)

OMB No. 1545-0130

Copy B
For Shareholder

Shareholder's identifying number ▶

Shareholder's name, address, and ZIP code

Corporation's identifying number ▶

Corporation's name, address, and ZIP code

Proof as of Nov. 1
(Subject to change)

Other Shareholder Information:	A. Stock ownership			B. Compensation	C. Percentage of time devoted to business
	Number of shares	Period held			
		Date acquired	Date of disposition		

Part I Income

	(a) Amount	(b) Form 1040 references; for Form 1041, see Instruction A.
1 Undistributed taxable income—ordinary income or (loss)		Schedule E, Part II
(If line 1 is a loss, see instruction C for deductible amount.)		
2 Undistributed taxable income—net long-term capital gain (after tax)		Schedule D, Part II
3 Shareholder's share of losses from section 465 activities (see instruction D)		
4 Amount of loan repayments for "Loans from Shareholders" (see instruction E)		

Part II Interest on Investment Indebtedness (See Instruction A)

		Form 4952 references
1 (a) Interest on investment indebtedness incurred before 12-17-69		line 1
(b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69		line 15
(c) Interest on investment indebtedness incurred after 9-10-75		line 5
2 Net investment income or (loss)		line 2 or 10
3 Excess expenses from "net lease property"		lines 11 and 19
4 Net capital gain attributable to investment property		line 20

Part III Items of Tax Preference

		Form 4625 references
1 Accelerated depreciation on real property:		
(a) Low-income rental housing (section 167(k))		line 1(a)(1)
(b) Other real property that is nonrecovery property or 15-year real property		line 1(a)(2)
2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property		line 1(b)
3 Amortization		line 1(c)
4 Reserves for losses on bad debts of financial institutions		line 1(d)
5 Depletion		line 1(e)
6 Intangible drilling costs		line 1(f)
7 Other (see instructions) (attach schedule)		
8 Net capital gain (after tax) (see instructions)		

Part IV Property Eligible for Investment Credit

			Form 3468 references
Unadjusted basis of new recovery property	(a) 3-Year		line 1(a)
	(b) Other		line 1(b)
Unadjusted basis of used recovery property	(c) 3-Year		line 1(c)
	(d) Other		line 1(d)
Nonrecovery property (see instructions) (attach schedule)			
New commuter highway vehicle			line 3
Used commuter highway vehicle			line 4
Qualified rehabilitation expenditures (see instructions)			

Part V Credits

1 Jobs credit		Form 5884
2 Credit for alcohol used as fuel		Form 6478
3 Other (see instructions)		

For Paperwork Reduction Act Notice, see page 1 of Instructions for Form 1120S.

Instructions for Shareholder

(References are to the Internal Revenue Code.)

A. General Instructions.—Schedule K–1 (Form 1120S) will help you when you prepare your income tax return. It shows your share of: undistributed taxable income or (loss) and other items that you must take into account when you file your tax return.

The line references in column (b) are to tax forms in use for the 1982 tax year. If you are using the Schedule K–1 information to file for a tax year beginning in 1983, enter the amounts on the corresponding line of the 1983 tax forms.

Report the income (or loss) in Part I on your tax return as follows: Report line 1, Part I, income (or loss) on Schedule E (Form 1040). Report line 2 income on the appropriate line of Schedule D (Form 1040). Form 1041 filers are to report the income (or loss) in Part I in corresponding lines of Form 1041 and Schedule D (Form 1041). See Instructions C and D for limits on losses reported on lines 1 and 3.

This schedule does not show the amount of actual dividend distributions the corporation paid you. The corporation must report such amounts totaling $10 or more during the calendar year to you on Form 1099–DIV. If any tax was withheld from dividend payments made after June 30, 1983, the 1983 Form 1099–DIV will also show the amount withheld. Report actual dividend distributions on Schedule B (Form 1040) and claim a credit for the amount withheld on Form 1040.

Use the items listed in Part II, combined with similar items from other sources, to complete Form 4952, Investment Interest Expense Deduction. Do not deduct this interest expense on your tax return (Form 1040 or Form 1041). These amounts have already been deducted in figuring your share of the taxable income (or loss) of the corporation. You may be required to adjust your share of undistributed taxable income (or loss) that the corporation reported on line 1, Part I. See the specific instructions for Form 4952 for details.

If your tax year begins in 1982, use items 1 through 6 listed in Part III, combined with similar items from other sources, to complete Form 4625, Computation of Minimum Tax—Individuals (Estates and trusts use Form 4626). Use item 8 of Part III, combined with capital gains and losses from other sources, to complete your 1932 Form 6251, Alternative Minimum Tax Computation, if applicable. If your tax year begins in 1983, use items 1 through 8 (including items from the attached schedule for line 7) to figure your alternative minimum tax for 1983. If the corporation attached a schedule showing that line 3 includes amortization for on-the-job training facilities and amortization for child-care facilities, exclude these amounts from the amortization entered on line 3 and use this reduced amount in figuring your alternative minimum tax for 1983.

Use the investment credit property items listed in Part IV, combined with investment credit property from other sources, to complete Form 3468, Computation of Investment Credit. (Your share of nonrecovery property of the corporation is listed in a separate statement. See the Instructions for Form 3468 on how to figure the credit for this property.) (Qualified rehabilitation expenditures will be listed on a separate statement if the corporation made separate expenditures for improvements to more than one building, etc., that qualify for different credit rates (10%, 15%, 20%, or 25%).)

Part V—Line 1 shows your share of the jobs credit figured by the corporation. Enter this amount on Form 5884, Jobs Credit (and WIN Credit Carryover), and complete the form to figure the credit you are allowed on your tax return.

Line 2 shows your share of the corporation's credit for alcohol used as fuel. Enter this amount on Form 6478, Credit for Alcohol Used As Fuel, and complete the form to figure the credit you are allowed on your tax return.

Line 3 contains your share of other corporate credits not reported on lines 1 and 2 of Part V. These credits are: (1) nonconventional source fuel credit (enter this credit on a schedule you prepare yourself to determine the allowed credit to take on your tax return—see section 44D for computation provisions and other special rules for figuring the credit); (2) credit for increasing research activities (enter this credit on Form 6765, Credit for Increasing Research Activities, to figure the allowed credit to claim on your tax return); (3) unused regular or energy investment credit from a cooperative (enter these credits on the appropriate line of Form 3468, Computation of Investment Credit, to determine the allowed credit to take on your tax return); and (4) tax withheld on dividends, interest, or patronage dividends paid to the corporation (you claim a credit for this amount on Form 1040 (Form 1041 for estates and trusts) in the same manner as you claim a credit for amounts withheld by the corporation on payments of dividends and interest to you). The corporation has listed and identified each of these credits at the bottom of Schedule K–1.

Separate Schedules.—Schedules may be attached to Schedule K–1 that show your share of:

(1) Part III, line 7, tax preference items.—Use these items with items from other sources to figure your alternative minimum tax for 1983.

(2) Nonrecovery and energy investment credit property.—Use this property, with properties from other sources, to complete Form 3468.

(3) Information on investment credit property that was disposed of before the recovery period or life years originally assigned the property.—Use the information on the statement to complete Form 4255, Recapture of Investment Credit.

B. When to report income, etc.—Include your share of undistributed taxable income, etc., on your tax return for the year in which the tax year of the corporation ends. For example, if you are on the calendar year, and the corporation's tax year ends on January 31, 1983, you must take the above items into account on your return for calendar year 1983.

C. If Part I, line 1, is a loss.—The income or loss on line 1, Part I, is your full distributive share of the corporation's undistributed taxable income or loss for the year. It does not take into account the adjusted basis of your stock in the corporation and the adjusted basis of any indebtedness of the corporation to you.

Section 1374(c)(2) limits the amount of loss you can deduct on your return to the sum of:

(1) the adjusted basis of your stock in the corporation, and

(2) the adjusted basis of any indebtedness of the corporation to you.

If your share of a loss is more than the section 1374(c)(2) limitation, you may not deduct the excess in any tax year.

D. Part I, losses from section 465 activities.—Section 465 losses are entered on line 3 for information purposes only. These losses are also included in line 1, Part I. Section 465 losses are stated separately to help you determine the amount of each activity loss you may deduct on your return.

Section 465 rules limit the losses of a small business corporation engaged in any activity (except holding of real property other than mineral property) as a trade or business or for the production of income.

Your share of a section 465(d) loss from each activity for the tax year is allowed up to the amount you are "at risk" for the activity at the end of the corporation's tax year.

In general, you are "at risk" for an activity for the cash and adjusted basis of property you contributed to the activity and any amount borrowed for use in the activity for which you are personally liable.

Your proportionate share in the corporation is treated as a single activity to the extent the corporation is engaged in separate but similar activities. However, if the corporation is engaged in two different types of activities, you are considered to be engaged in two separate activities. You must make a separate determination of the amount you are "at risk" for each separate activity. See section 465 for details.

If a section 465 activity loss is in excess of the amount for which you are "at risk" for the activity, you must adjust the gain or loss on line 1, Part I, for the excess. A gain in line 1, Part I, would be increased by the excess and a loss would be decreased by the excess.

Any loss from an activity not allowed for the tax year because of section 465 is treated as a deduction allocable to the activity in the next tax year.

E. Repayment of indebtedness with a reduced basis.—If Part I, line 1, losses in earlier years were more than the adjusted basis of your stock in the corporation and have been applied to decrease the adjusted basis of your loans to the corporation in earlier years, any repayments of the loans in this year will result in taxable income to you to the extent that the repayments are more than the adjusted basis of the loan. The nature of the indebtedness determines whether you report the income as capital gain or ordinary income.

Part I, line 4, shows total loan repayments the corporation made to you during its tax year. If these payments result in income as explained above, report the income in the tax year you receive the payments. If your tax year is different than that of the corporation, and you cannot determine the amount of or year in which the loan repayments were received, ask the corporation to give you this information.

If the loan is repaid in installments, make a breakdown of each payment to show the computation of (1) return of capital and (2) income. (See section 1376 and the related regulations.)

Proof as of Nov 1
(subject to change)

SCHEDULE K–1
(Form 1120S)
Department of the Treasury
Internal Revenue Service

Shareholder's Share of Undistributed Taxable Income, etc.—1982

For calendar year 1982 or other tax year beginning ...., 1982, ending ...., 19.........

OMB No. 1545–0130

Copy C
For Corporate Records

Proof as of Nov. 1
(Subject to change)

Shareholder's identifying number ▶	Corporation's identifying number ▶
Shareholder's name, address, and ZIP code	Corporation's name, address, and ZIP code

Other Shareholder Information:	A. Stock ownership			B. Compensation	C. Percentage of time devoted to business
	Number of shares	Period held			
		Date acquired	Date of disposition		

Part I Income

	(a) Amount	(b) Form 1040 references; for Form 1041, see Instruction A.
1 Undistributed taxable income—ordinary income or (loss)		Schedule E, Part II
(If line 1 is a loss, see instruction C for deductible amount.)	▨	▨
2 Undistributed taxable income—net long-term capital gain (after tax)		Schedule D, Part II
3 Shareholder's share of losses from section 465 activities (see instruction D) . .		▨
4 Amount of loan repayments for "Loans from Shareholders" (see instruction E) .		▨

Part II Interest on Investment Indebtedness (See Instruction A)

		Form 4952 references
1 (a) Interest on investment indebtedness incurred before 12–17–69		line 1
(b) Interest on investment indebtedness incurred before 9–11–75 but after 12–16–69 . . .		line 15
(c) Interest on investment indebtedness incurred after 9–10–75		line 5
2 Net investment income or (loss)		line 2 or 10
3 Excess expenses from "net lease property"		lines 11 and 19
4 Net capital gain attributable to investment property		line 20

Part III Items of Tax Preference

		Form 4625 references
1 Accelerated depreciation on real property:	▨	▨
(a) Low-income rental housing (section 167(k))		line 1(a)(1)
(b) Other real property that is nonrecovery property or 15-year real property . .		line 1(a)(2)
2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property		line 1(b)
3 Amortization		line 1(c)
4 Reserves for losses on bad debts of financial institutions		line 1(d)
5 Depletion		line 1(e)
6 Intangible drilling costs		line 1(f)
7 Other (see instructions) (attach schedule)	▨	▨
8 Net capital gain (after tax) (see instructions)		▨

Part IV Property Eligible for Investment Credit

			Form 3468 references
Unadjusted basis of new recovery property	(a) 3-Year		line 1(a)
	(b) Other		line 1(b)
Unadjusted basis of used recovery property	(c) 3-Year		line 1(c)
	(d) Other		line 1(d)
Nonrecovery property (see instructions) (attach schedule) .		▨	▨
New commuter highway vehicle			line 3
Used commuter highway vehicle			line 4
Qualified rehabilitation expenditures (see instructions) .			▨

Part V Credits

1 Jobs credit		Form 5884
2 Credit for alcohol used as fuel		Form 6478
3 Other (see instructions)		▨

For Paperwork Reduction Act Notice, see page 1 of Instructions for Form 1120S.

Instructions for Corporation

Copy A—Attach to Form 1120S.

Copy B—Give to each shareholder.

Copy C—Retain for your records.

Substitute forms.—Prior IRS approval is not required for (a) a substitute Schedule K–1 that shows the OMB control number and only the line items required for use by a taxpayer if those line items have the same numbers and titles and are in the same order as on the comparable IRS Schedule K–1; or (b) a substitute Schedule K–1 that is an exact facsimile of an IRS Schedule K–1 (including the OMB control number). Other substitute Schedules K–1 require prior approval. You may apply for approval of a substitute form by writing to: Internal Revenue Service, Attention D:R:R, 1111 Constitution Avenue, NW, Washington, DC 20224.

Complete a separate Schedule K–1 (Form 1120S) for each person who was a shareholder during the tax year. Additional instructions for completing Schedule K–1 are on pages 7 and 8 of the instructions for Form 1120S.

Schedule K–1 (Form 1120S) must show complete information for all persons who were shareholders of the corporation during any part of the tax year.

Please make sure the shareholder's name, identifying number, and other shareholder information are complete and legible.

The corporation may be subject to a penalty for each omission of a shareholder's identifying number unless the corporation establishes a reasonable cause for not providing it.

Under the tax treatment provided by Subchapter S, shareholders generally are taxed on their shares of the current taxable income of the corporation, whether or not actually distributed. In addition to undistributed taxable income, Schedule K–1 also includes each shareholder's share of:

- Section 465 activity losses,
- Loan repayment for loans from shareholders,
- Items of tax preference,
- Items used to figure the limitation on the deduction for investment interest expense,
- Property eligible for regular investment credit,
- Jobs credit,
- Alcohol fuel credit,
- Nonconventional source fuel credit,
- Credit for increasing research activities,
- Unused regular or energy investment credit from a cooperative, and
- Credit for income tax withheld on interest, dividends, and patronage dividends paid to the corporation (withholdings on dividends and interest paid to shareholders are reported separately on Forms 1099–DIV and Forms 1099–INT).

Separate statements are attached to Schedule K–1 to show each shareholder's share of:

- Certain tax preference items,
- Nonrecovery investment credit property,
- Property eligible for energy investment credit, and
- Property used in refiguring an earlier year investment credit.

On Form 1099–DIV, report actual dividend distributions totaling $10 or more to a shareholder during the calendar year and withholding on dividend distributions made after June 30, 1983.

If an earlier actual distribution reported to shareholders as ordinary income on Form 1099–DIV is determined to be capital gain at the close of the corporation's tax year, the corporation must issue corrected Forms 1099–DIV to the shareholders.

Proof as of NOV 1
(Subject to change)

Form **1120-W**
(WORKSHEET)
Department of the Treasury
Internal Revenue Service

Corporation Estimated Tax

(Do Not File—Keep for Your Records)

1983

1 Taxable income expected in the tax year 1

2 Net capital gain. (If the alternative tax does not apply, enter zero. See Instruction F for alternative tax.) . . 2

3 Subtract line 2 from line 1 3

4 Enter the smaller of line 3 or $25,000 (members of a controlled group, see Instruction C) 4

5 Subtract line 4 from line 3 5

6 Enter the smaller of line 5 or $25,000 (members of a controlled group, see Instruction C) 6

7 Subtract line 6 from line 5 7

8 Enter the smaller of line 7 or $25,000 (members of a controlled group, see Instruction C) 8

9 Subtract line 8 from line 7 9

10 Enter the smaller of line 9 or $25,000 (members of a controlled group, see Instruction C) 10

11 Subtract line 10 from line 9 11

12 15% of line 4 12

13 18% of line 6 13

14 30% of line 8 14

15 40% of line 10 15

16 46% of line 11 16

17 Alternative tax on capital gain—28% of line 2 (see Instruction F) 17

18 Add lines 12 through 17 18

19 Estimated tax credits: Foreign tax credit, possessions tax credit, investment credit, jobs credit, nonconventional source fuel credit, alcohol fuel credit, research credit, and employee stock ownership credit . . 19

20 Subtract line 19 from line 18 20

21 Tax from refiguring a prior year investment credit 21

22 Total—Add lines 20 and 21 22

23 Credit for Federal tax on special fuels and oils 23

24 Estimated tax—Subtract line 23 from line 22 24

25 Divide line 24 by the number of installments to be paid for the tax year (see Instruction I). This is the amount due for each installment. *Generally, you may apply your 1982 overpayment, elected as a credit against your 1983 estimated tax, to any installment due.* For exceptions, see Rev. Rul. 77–475, 1977–2 C.B. 476 . 25

Amended Estimated Tax

If, after you figure and deposit estimated tax, you find that your estimated tax is much more or less than originally estimated because your economic condition has changed, you should refigure your estimated tax before the next installment. You may use the following lines to figure the remaining installment payments. (See Instruction H for exceptions.)

26 Refigured estimated tax for 1983 26

27 Amount of 1982 overpayment elected as a credit against 1983 estimated tax . . 27

28 Earlier estimated tax payments made for 1983 (include only net amounts deposited—do not include the credit taken in line 27) 28

29 Total amount already paid (add lines 27 and 28) 29

30 Unpaid balance—Subtract line 29 from line 26 30

31 Divide the amount on line 30 by the number of remaining installments. This is the amount due for each remaining installment 31

Instructions

(References are to the Internal Revenue Code.)

The Economic Recovery Tax Act of 1981 reduced the corporate tax rates for the two lowest taxable income brackets. For the taxable income bracket of $25,000 or less, the tax rate has decreased for 1983, from 16% to 15%. For the taxable income bracket over $25,000 but not over $50,000, the tax rate has decreased for 1983, from 19% to 18%. The remaining tax rates of 30%, 40%, and 46% did not change.

Employee stock ownership credit.—This Act provides a credit that applies to aggregate compensation (within the meaning of section 415 (c)(3)), paid or accrued after December 31, 1982, in tax years ending after such date. See section 44G.

Credit for withholding on interest and dividends.—The Tax Equity and Fiscal Responsibility Act of 1982 requires the withholding of tax on interest, dividends and patronage dividends paid to certain recipients after June 30, 1983. Generally, if such payments are made to a corporation they are exempt from withholding. However, if a corporation believes there will be some withholding on payments made to it, for example, if the corporation is a member of a partnership, it should include the estimated amount of withholding as a credit in the total for line 23.

A. Who Must Make Estimated Tax Payments.—A corporation must make estimated tax payments if it can expect its estimated tax (income tax less credits) to be $40 or more.

B. Underpayment of Estimated Tax.—A corporation that does not pay estimated tax when due may be charged an underpayment penalty for the period of underpayment (section 6655), at a rate determined under section 6621.

C. Members of a Controlled Group.—On lines 4, 6, 8, and 10, members of a controlled group (defined in section 1563) enter either the amount from the preceding line or their share of the $25,000, whichever is less.

If no apportionment plan is adopted, the members of the controlled group must share the $25,000 in each taxable income bracket equally. For example, controlled group AB consists of corporation A and corporation B. They do not elect an unequal apportionment plan. Therefore, corporation A is entitled to $12,500 (half of $25,000) in each taxable income bracket and corporation B is entitled to $12,500 in each taxable income bracket.

Members of a controlled group may elect an unequal apportionment plan and divide the $25,000 in each taxable income bracket in any way they want. They need not divide each taxable income bracket in the same way. Any member of the controlled group may be entitled to all, some, or none of the $25,000 in a taxable income bracket, as long as the total for all members of the controlled group is not more than $25,000 in any taxable income bracket.

D. Depositary Method of Tax Payment.—Deposit corporation income tax payments and estimated tax payments with a preinscribed Federal Tax Deposit (FTD) Form 503. Make these tax deposits with either a financial institution qualified as a Depositary for Federal taxes or the Federal Reserve Bank or Branch (FRB), for the area where the taxpayer is located. Records of deposits will be sent to the Internal Revenue Service for crediting to the corporation's account. See the instructions on the back of Form 503 for more information and exceptions.

Preinscribed FTD Forms 503 will be mailed to corporations on a regular basis depending on the tax year of the corporation. Corporations needing deposit forms may apply for them to the Internal Revenue Service Center where they will file their returns. The application should include the corporation's name, employer identification number, address, and the tax year for which the deposits are made.

Penalty for Overstated Tax Deposits.—If you overstate your deposits, you may be subject to a penalty. See section 6656(b).

E. Overpayment of Estimated Tax.—A corporation that has overpaid its estimated tax may apply for a "quick refund" if the overpayment is (1) at least 10% of its expected income tax liability **AND** (2) at least $500.

To apply, the corporation must file Form 4466, Corporation Application for Quick Refund of Overpayment of Estimated Tax, within 2½ months after the end of its tax year and before it files its tax return.

F. Alternative Tax.—If there is a net capital gain (which means the net long-term capital gain is more than the net short-term capital loss), use the alternative method (section 1201) to see if the resulting tax is less than the tax figured using the regular method.

Alternative tax is the total of (1) a partial tax figured at graduated tax rates on the taxable income decreased by the net capital gain, plus (2) 28% of the net capital gain.

G. Minimum Tax on Tax Preference Items.—Do not consider the minimum tax under section 56 when figuring estimated tax.

H. Late Payments.—If you miss a payment of estimated tax or if you made a mistake which caused an underpayment in earlier installments, you should make an immediate "catch-up" payment.

I. Time and Amount of Deposits.—Use the following table to determine the due date of deposits and the amount of each installment. *If any date falls on a Saturday, Sunday, or legal holiday, substitute the next regular workday.*

If a corporation's estimated tax is $40 or more, it meets the requirement for making deposits. If this requirement is first met—	The number of installments to deposit is—	And you should deposit the following percentages of the estimated tax by the 15th day of the—			
		4th month	6th month	9th month	12th month
before the 1st day of the 4th month of the tax year	4	25	25	25	25
after the last day of the 3rd month and before the 1st day of the 6th month of the tax year	3		33⅓	33⅓	33⅓
after the last day of the 5th month and before the 1st day of the 9th month of the tax year	2			50	50
after the last day of the 8th month and before the 1st day of the 12th month of the tax year	1				100

Form **1120X**

(Rev. Oct. 1982)
Department of the Treasury
Internal Revenue Service

Amended U.S. Corporation Income Tax Return

OMB No. 1545-0132
Expires 9/30/85

FOR TAX YEAR ENDING IN ▶
(Enter month and year.)

Please type or print

Name	Employer identification number
Number and street	Total assets on original Form 1120 $
City or town, State, and ZIP code	Telephone no. (optional) ( )

Enter name and address used on original return (if same as above, write "Same").

Internal Revenue Service Center
where original return was filed ▶

Fill in applicable items and use Part II to explain any changes.

Part I Income and Deductions	A. As originally reported or as adjusted (See Specific Instr.)	B. Net change (Increase or Decrease—explain in Part II)	C. Correct amount
1 Total income (line 11 of Form 1120)			
2 Total deductions (total of lines 27 and 29 of Form 1120)			
3 Taxable income (subtract line 2 from line 1)		▨	
4 Tax (line 31 of Form 1120)			
Payments and Credits			
5 Estimated tax payments (include overpayment in prior year allowed as a credit—subtract the amount of any "quick refund" of overpayment of estimated tax applied for on Form 4466)			
6 (a) Tax deposited with Form 7004 (automatic extension of time to file)			
(b) Tax deposited with Form 7005 (application for additional extension of time to file)			
7 Credit from regulated investment companies			
8 Credit for Federal tax on special fuels and oils			
9 Other payment or refundable credit (specify)			
10 Tax deposited or paid with (or after) the filing of the original return			
11 Total of lines 5 through 10, column C			
12 Overpayment, if any, as shown on line 34 of original return or as later adjusted			
13 Subtract line 12 from line 11			
Tax Due or Refund			
14 TAX DUE (subtract line 13 from line 4, col. C). Make check payable to Internal Revenue Service (see instructions) ▶			
15 REFUND (subtract line 4, column C, from line 13) ▶			

Please Sign Here

Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature of officer ▶ Date ▶ Title

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ▶ ☐	Preparer's social security no.
Firm's name (or yours, if self-employed) and address ▶		E.I. No. ▶	
		ZIP code ▶	

For Paperwork Reduction Act Notice, see instructions on back.

Form **1120X** (Rev. 10-82)

Part II **Explanation of Changes to Income, Deductions, Credits, etc.** **Enter the line reference from page 1 for which a change is reported, and give the reason for each change. Show any computation in detail. Attach any schedules needed.**

Check here ▶ ☐ if the change is due to a net operating loss carryback, an investment credit carryback, a WIN credit carryback, or a jobs credit carryback.

General Instructions

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says that we must tell you why we are collecting this information, how it is to be used, and whether your response is voluntary, required to obtain a benefit, or mandatory. We ask for the information to carry out the Internal Revenue Laws of the United States. The information is used to ensure that you are complying with these laws and so that we can figure and collect the correct amount of tax. Your response is mandatory.

Purpose of Form 1120X.—Use Form 1120X to correct your corporation income tax return, Form 1120, as you originally filed it or as it was later adjusted by an amended return, claim for refund, or an examination. Please note that it often takes 3 to 4 months to process Form 1120X.

However, do not use this form to apply for a tentative refund or a quick refund of estimated tax.

- For a quick refund of estimated tax file Form 4466, Corporation Application for Quick Refund of Overpayment of Estimated Tax. File Form 4466 only within 2½ months after the end of the tax year and before the corporation files its tax return.
- For a tentative refund due to the carryback of a net operating loss, a net capital loss, unused credits, or overpaid tax resulting from a claim-of-right adjustment under section 1341(b)(1), file Form 1139, Corporation Application for Tentative Refund. You may use Form 1139 only if one year or less has passed since the tax year in which the carryback or adjustment occurred.

When to File.—File Form 1120X only after you have filed your original return. Generally, you must file Form 1120X within 3 years after the date the original return was due or 3 years after the date you filed it, whichever was later. A Form 1120X based on a net operating loss carryback, investment credit carryback, WIN credit carryback, or jobs credit carryback, generally must be filed within 3 years after the due date of the return for the tax year of the net operating loss or unused credit. Other claims for refund must be filed within 3 years after the date the original return was due, or 3 years after the date you filed it, or 2 years after the date the tax was paid, whichever is later.

Information on Income, Deductions, Tax Computation, etc.—Refer to the instructions for the corporate income tax return and related schedules and forms, for the year you are amending, concerning the taxability of certain types of income, the allowability of certain expenses as deductions from income, computation of tax, etc.

Note: *Deductions for such items as charitable contributions and dividends received may have to be refigured due to changes made to items of income or expense.*

Where to File.—Mail this form to the Internal Revenue Service Center where you filed your original return.

Specific Instructions

Tax Year.—In the space above the employer identification number, enter the month and year in which the calendar or fiscal year of the tax return you are amending ends.

Lines 1 through 4

Column A

Line 1.—Enter the amount from line 11 of your original return, or as later adjusted.

Line 2.—Enter the total of lines 27 and 29 from the original return, or as later adjusted.

Line 4.—Enter the tax from line 31 of the original return, or as later adjusted.

Column B

Lines 1, 2, and 4.—Enter the increases or decreases you are making. Explain the increase or decrease in Part II. If the change involves an item of income, deduction, or credit that the corporation income tax return or its instructions requires you to support with a schedule, statement, or form, attach the appropriate schedule, statement, or form to Form 1120X.

Column C

Lines 1 and 2.—Add the increase in column B to the amount in column A or subtract the column B decrease from column A. Report the result in column C. For any item you do not change, enter the amount from column A in column C.

Line 4.—Figure the new amount of tax using the taxable income on line 3, column C. Use Schedule J, Form 1120, of the original return to make the necessary tax computation.

Line 12. Overpayment.—Enter the amount of overpayment you received (or expect to receive) or the amount you had credited to estimated tax, as shown on line 34 of your original return. That amount must be considered in preparing Form 1120X since any refund due from your original return will be refunded separately (or credited to estimated tax) from any additional refund claimed on Form 1120X.

Line 14. Tax due.—Make your check payable to "Internal Revenue Service" for the amount shown on line 14 and attach it to this form. Do not use the depositary method of payment.

Line 15. Refund.—If you are entitled to a refund larger than the amount claimed on your original return, line 15 will show only the additional amount of refund. This additional amount will be refunded separately from the amount claimed on your original return.

Signature.—The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign. A receiver, trustee, or assignee must sign and date any return required to be filed on behalf of a corporation.

Preparer.—If your corporate officer filled in Form 1120X, the space under the signature of officer should remain blank. If someone prepares Form 1120X and does not charge the corporation, that person should not sign the return. Certain others who prepare Form 1120X should not sign. See the Form 1120 instructions for more information on preparers and their responsibilities.

Note: *IRS will figure any interest due and will either include it in your refund or bill you for the interest.*

Form **1310**
(Rev. August 1981)
Department of the Treasury
Internal Revenue Service

Statement of Person Claiming Refund Due a Deceased Taxpayer

OMB No. 1545-0073
Expires 8-31-84

Tax year decedent was due a refund:

Calendar year , or other tax year beginning , 19 , and ending , 19 .

Please type or print

Name of decedent

Date of death

Social security number of decedent

Name of person claiming refund

Address (number and street)

City or town, State and ZIP code

Paperwork Reduction Act Notice

The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

I am filing this statement as (check only one box):

A ☐ Surviving spouse, claiming a refund based on a joint return. (See **Death of Taxpayer** in Instructions for Form 1040.)

B ☐ Decedent's personal representative.[1] Attach a court certificate showing your appointment.

C ☐ Person, other than A or B, claiming refund for the decedent's estate. Complete Schedule A and attach a copy of the death certificate or proof of death.[2]

Please attach requested information and sign below. If you checked box C, also complete Schedule A.

Schedule A (To be completed only if you checked box C above.)	Yes	No
1 Did the decedent leave a will?		
2 a Has a personal representative been appointed for the estate of the decedent?		
b If "No," will one be appointed?		
If 2 a or b is answered "Yes," do not file this form. The personal representative should file for the refund.	▨	▨
3 As the person claiming the refund for the decedent's estate, will you pay out the refund according to the laws of the State where the decedent was a legal resident?		

If "No," a refund cannot be made until you submit a court certificate showing your appointment as personal representative or other evidence that you are entitled, under State law, to receive the refund.

Signature and Verification

I request a refund of taxes overpaid by or on behalf of the decedent. Under penalties of perjury, I declare that I have examined this claim and to the best of my knowledge and belief, it is true, correct and complete.

Signature of person claiming refund ▶ **Date ▶**

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[1] For purposes of this form, personal representative means the executor, executrix, administrator or administratrix of the decedent's estate; if no executor, executrix, administrator or administratrix is appointed, qualified and acting within the United States, personal representative means any person in actual or constructive possession of any property of the decedent.

[2] May be the original or an authentic copy of a telegram or letter from the Department of Defense notifying the next of kin of the decedent's death while in active service, or a death certificate issued by the Department of Defense.

Form **2106**

Department of the Treasury
Internal Revenue Service (X)

Employee Business Expenses

(Please use Form 3903 to figure moving expense deduction.)

▶ Attach to Form 1040.

OMB No. 1545-0139

1982

54

Your name	Social security number	Occupation in which expenses were incurred
Employer's name	Employer's address	

Part I Employee Business Expenses Deductible in Figuring Adjusted Gross Income on Form 1040, Line 32

1 Reimbursed and unreimbursed fares for airplane, boat, bus, taxicab, train, etc	1	
2 Reimbursed and unreimbursed expenses for meals and lodging while away from your main place of work . . .	2	
3 Reimbursed and unreimbursed car expenses from Part II	3	
4 Reimbursed and unreimbursed outside salesperson's expenses other than those shown on lines 1, 2, and 3 ▶	4	
5 Reimbursed expenses other than those shown on lines 1 through 4	5	
6 Add lines 1 through 5	6	
7 Employer's payments for these expenses only if not included on Form W–2	7	
8 If line 6 is more than line 7, subtract line 7 from line 6. Enter here and on Form 1040, line 24 . . .	8	
9 If line 7 is more than line 6, subtract line 6 from line 7. Enter here and on Form 1040, line 7 . .	9	

Part II Car Expenses (Use either your actual expenses or the mileage rate.)

	Car 1	Car 2	Car 3
A. Number of months you used car for business during 1982	months	months	months
B. Total mileage for months in line A	miles	miles	miles
C. Business part of line B mileage	miles	miles	miles

Actual Expenses (Include expenses on lines 1 and 2 only for the months shown in line A, above.)

		Car 1	Car 2	Car 3
1 Gasoline, oil, lubrication, etc	1			
2 Other	2			
3 Total (add lines 1 and 2)	3			
4 Divide line C by line B, above	4	%	%	%
5 Multiply line 3 by line 4	5			
6 Depreciation (based on percentage shown on line 4) .	6			
Note: *Do not complete line 7 if you use ACRS or 12 months is entered on line A above. Go to line 8.*				
7 Divide line 6 by 12 months	7			
8 Multiply line 7 by line A, or enter the amount from line 6 if line 7 was not completed	8			
9 Section 179 expense deduction (see instructions) . .	9			
10 Business parking fees and tolls	10			
11 Total (add lines 5, 8, 9, and 10). Enter here and in Part I, line 3	11			

Mileage Rate

12 Enter the smaller of (a) 15,000 miles or (b) the total mileage (Car 1 + Car 2 + Car 3) from line C, above	12	miles
13 Multiply line 12 by 20¢ (11¢ if applicable, see instructions)	13	
14 Enter the total mileage, if any (Car 1 + Car 2 + Car 3) from line C that is over 15,000 miles	14	miles
15 Multiply line 14 by 11¢ and enter here	15	
16 Business part of car interest, parking fees, tolls, and State and local taxes (except gasoline tax) .	16	
17 Total (add lines 13, 15, and 16). Enter here and in Part I, line 3	17	

Part III Information About Educational Expenses Shown in Part I or on Schedule A (Form 1040)

1 Did you need this education to meet the basic requirements for your business or profession? . . . . ☐ Yes ☐ No

2 Will this study program qualify you for a new business or profession? . . . . ☐ Yes ☐ No

Note: *If your answer to question 1 or 2 is "Yes," stop here. You cannot deduct these expenses, even if you do not intend to change your business or profession.*

3 If "No," list the courses you took and their relationship to your business or profession. ▶

For Paperwork Reduction Act Notice, see instructions on back.

Form **2106** (1982)

General Instructions

Paperwork Reduction Act Notice.—We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose.—Use this form or a similar statement to show employee business expenses if:

- You were not required to account to your employer for your expenses; or
- You were required to account to your employer for your expenses but did not do so; or
- You were required to account to your employer and you did so, but your expenses were more than your reimbursement and you wish to deduct the excess expenses. For other situations, see **Publication 463.**

Complete and file Form 2106 if you have deductible educational expenses. See the instructions for Part III.

Amounts to Include on Form 2106.—Include the following kinds of expenses, provided you paid or incurred them in 1982 in connection with services you performed as an employee during 1982:

a. Reimbursed expenses. These are expenses you paid or incurred under a reimbursement or other expense allowance arrangement with your employer.

A reimbursement or other expense allowance arrangement exists if you receive a separate payment for expenses from your employer or, if both wages and the reimbursement or allowance are combined in one single payment, the reimbursement or allowance is specifically identified. If you are required to pay your own expenses, you do not have a reimbursement or expense allowance arrangement.

b. Expenses for travel while away from home. These are expenses you paid or incurred for travel, meals, and lodging while you were away from home or your main place of work overnight.

c. Transportation expenses. These are expenses you paid or incurred for transportation (cab fares, bus fares, etc. and a pro rata share of the expenses of operating your car) **other than for** (1) travel expenses as described in **b.** above; or (2) expenses paid or incurred for commuting to and from work.

d. Outside salesperson's expenses. These are any expenses you paid or incurred in soliciting business for your employer away from your employer's place of business. You are not an outside salesperson if your duties consist of service and delivery or if you do any selling at your employer's place of business.

Also include on Form 2106, line 7, Part I, payments you received as reimbursement for expenses you paid or incurred if these payments are not shown on your Form W-2 and you are otherwise required to file Form 2106.

Amounts Not to Include on Form 2106.—If you paid or incurred any employee business expenses other than those listed in **a.** through **d.**, report them on **Schedule A** (Form 1040), line 25 or 26, whichever applies.

Attachments.—If you need more space, attach additional sheets. Show on each sheet to which part of Form 2106 the separate sheet relates.

Publications.—See the following publications for more information about employee business expenses and the records you must keep:

- **Publication 463,** Travel, Entertainment, and Gift Expenses.
- **Publication 508,** Educational Expenses.
- **Publication 529,** Miscellaneous Deductions.
- **Publication 534,** Depreciation.
- **Publication 587,** Business Use of Your Home.

Specific Instructions

Part I

Line 2.—Do not deduct the cost of your meals or lodging on one-day trips when you did not need sleep or rest. However, you can deduct on line 1 or line 3, whichever applies, the transportation expenses you incurred on these one-day trips.

Line 5.—Complete this line if ALL of the following apply:

- You were not an outside salesperson; and
- You paid or incurred business expenses other than those described on lines 1 through 4; and
- You were partially or fully reimbursed for these expenses. (If you did not receive any reimbursement, report the expenses on Schedule A (Form 1040), line 25 or 26, whichever applies.); and
- Any reimbursement is shown either on your Form W-2 or on line 7, Part I, Form 2106.

Enter the following amount on line 5:

- If you were reimbursed in full, enter the total expenses.
- If you were partially reimbursed, enter the expenses to the extent of the reimbursement. Enter any excess expenses on Schedule A (Form 1040), line 25 or 26, whichever applies. Example: You paid $600 for educational expenses. Your employer reimbursed you $200. You would enter $200 on line 5 and $400 on Schedule A (Form 1040).
- If you received a partial reimbursement that was intended to cover all expenses described on lines 1, 2, 3, and 5, use the formula in **Publication 463** to figure the amount to enter.

Part II

Generally, you may use either of two methods to determine your deductible car expenses for business purposes. These two methods are:

a. The **actual cost** of your car expenses (such as gas, oil, repairs, depreciation, section 179 expense, etc.). **OR**

b. The **standard mileage rate** which gives you a fixed deduction per business mile. **DO NOT** use this method if **any** of the following apply.

- The car is leased or used for hire; or
- More than one car is used in your business at a time; or
- You elect to expense deductions for recovery property under section 179; or
- Your car was placed in service before 1/1/81, and you used a method of depreciation other than straight-line in earlier years; or
- Your car was placed in service during 1981 and you used ACRS (Accelerated Cost Recovery System) on this car last year. In this case, you must use actual expenses for as long as you use this car for business purposes.

If you are eligible to use the standard mileage rate, you may want to figure your deduction under both methods and use whichever one gives you the larger deduction.

Note: *If you use the mileage rate, you are considered to have made an election to exclude this car from ACRS.*

Actual Expenses

Line 2.—Include on this line your actual expenses for repairs, tires, supplies, insurance, taxes, tags, licenses, interest, etc.

Line 6.—Do not deduct depreciation in excess of your basis or if your car is fully depreciated. For more information, **see Publication 463.**

The method of depreciation you may use depends on when you started using your car for business purposes (placed the car in service).

Cars placed in service before 1/1/81.—If you used either straight-line depreciation or the standard mileage rate in earlier years, you may use either straight-line depreciation or the standard mileage rate this year. If you used a method of depreciation other than straight-line, continue to use that method. If you want to change to straight-line depreciation or to another method of depreciation, see **Publication 534.** You cannot change to the Accelerated Cost Recovery System (ACRS).

Cars placed in service after 12/31/80.—If you placed a car in service after 1980 and you do not use the standard mileage rate, you must use one of two methods for figuring depreciation under ACRS:

- One ACRS method lets you deduct the following percentages of the business cost or other basis of your car regardless of what month you placed the car in service—

  1st year—25%
  2nd year—38%
  3rd year—37%

Example: You bought a new car, without a trade-in, for $10,000 in September 1982, and used it 60% for business. You did not make the section 179 election. Your basis for depreciation is $6,000 ($10,000 × 60%). For 1982, your depreciation deduction is $1,500 ($6,000 × 25%). If your percentage of business use changes in 1983, you must refigure your basis for depreciation.

- The other ACRS method allows you to use a straight-line method over a recovery period of 3, 5, or 12 years with the half-year convention.

Do not consider salvage value in either of the ACRS methods.

See **Publication 463** for details on how to figure the deduction under either method and on how to figure your basis for depreciation if you traded in your car during 1982 for another car.

Investment Credit.—If you placed a car in service during 1982, see **Form 3468,** Computation of Investment Credit, to determine the amount of investment credit you can take.

Line 9.—You may elect to expense the cost related to the percentage of business use of your car in an amount up to $5,000 ($2,500 if you are married filing a separate return). However, the total amount of section 179 expense you claim from all sources cannot be more than $5,000 ($2,500 if you are married filing a separate return). Reduce your basis for figuring depreciation on line 6 by any amount you elect to expense on line 9. See **Publication 463** for more information.

Mileage Rate

Use 20¢ a mile for the first 15,000 miles of business use a year.

Use 11¢ a mile for each mile over 15,000 business miles a year. You must also use 11¢ a mile if your car is fully depreciated.

If you use the standard mileage rate to figure the cost of business use, the car is considered to have a useful life of 60,000 miles of business use at the maximum standard mileage rate. After 60,000 miles of business use at the maximum rate, the car is considered to be fully depreciated. (For details, see **Publication 463.**)

Line 16.—Enter the business part of what you spent for parking, tolls, interest, and State and local taxes (except gasoline tax). The business part of parking and tolls is the amount you paid or incurred for business purposes. The business part of interest and State and local taxes is the total amount for these items multiplied by the percentage you get when you divide line C by line B.

Part III

If you show educational expenses in Part I or on Schedule A (Form 1040), complete Part III.

You can deduct the cost of education that helps you keep or improve your skills for the business or profession you are in now. This includes education that your employer, the law, or regulations require you to get in order to keep your job or your salary in this business or profession. Do not deduct the cost of study that helps you meet the basic requirements for your business or profession or qualifies you for a new business or profession even if you don't intend to change to a new business or profession. See **Publication 508** for more information on educational expenses.

Form **2119**

Department of the Treasury
Internal Revenue Service (X)

Sale or Exchange of Principal Residence

▶ See instructions on back.

▶ Attach to Form 1040 for year of sale (see instruction C).

OMB No. 1545-0072

1982

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Do not include expenses that you deduct as moving expenses.

Name(s) as shown on Form 1040	Your social security number

		Yes	No
1 (a)	Date former residence sold ▶		
(b)	Enter the face amount of any mortgage, note (for example second trust), or other financial instrument on which you will receive periodic payments of principal or interest from this sale ▶		
(c)	Have you ever postponed any gain on the sale or exchange of a principal residence?		
(d)	If you were on active duty in the U.S. Armed Forces or outside the U.S. after the date of sale of former residence, enter dates. From to		
2 (a)	If you bought or built a new residence, enter date you occupied it; Otherwise enter "none". ▶		
(b)	Did you use both the old and new properties as your principal residence?		
(c)	Are any rooms in either residence rented out or used for business for which a deduction is allowed? (If "Yes" do not include gain in line 7 from the rented or business part; instead include in income on Form 4797.)		

Part I Gain and Adjusted Sales Price

3	Selling price of residence. (Do not include selling price of personal property items.)			3	
4	Commissions and other expenses of sale not deducted as moving expenses			4	
5	Amount realized (subtract line 4 from line 3)			5	
6	Basis of residence sold	6			
7	Gain on sale (subtract line 6 from line 5). (If line 6 is more than line 5, enter zero and do not complete the rest of form.) If you bought another principal residence during the replacement period or if you elect the one time exclusion in Part III, continue with this form. Otherwise, enter the gain on Schedule D (Form 1040), line 2a or 9a*	7			
	If you haven't replaced your residence, do you plan to do so within the replacement period? ☐ Yes ☐ No (If "Yes" see instruction C.)				
8	Fixing-up expenses (see instructions for time limits.)			8	
9	Adjusted sales price (subtract line 8 from line 5)			9	

Part II Gain to be Postponed and Adjusted Basis of New Residence

10	Cost of new residence	10	
11	Gain taxable this year (Subtract line 10 from line 9. Do not enter more than line 7.) If line 10 is more than line 9, enter zero. Enter any taxable gain on Schedule D (Form 1040), line 2a or 9a. *If you were 55 or over on the date of sale, see Part III	11	
12	Gain to be postponed (subtract line 11 from line 7)	12	
13	Adjusted basis of new residence (subtract line 12 from line 10)	13	

Part III 55 or over Exclusion, Gain to be Reported, and Adjusted Basis of New Residence

		Yes	No
14 (a)	Were you 55 or over on date of sale?		
(b)	Was your spouse 55 or over on date of sale? (If you answered "No" to 14(a) and 14(b), do not complete the rest of form.)		
(c)	If you answered "Yes" to 14(a) or 14(b) did you or your spouse own and use the property sold as your principal residence for a total of at least 3 years (except for short temporary absences) of the 5-year period before the sale?		
(d)	If you answered "Yes" to 14(c), do you elect to take the once in a lifetime exclusion of the gain on the sale? (If "Yes," complete the rest of Part III. If "No," return to Part II, line 12.)		
(e)	At time of sale, was the residence owned by: ☐ you, ☐ your spouse, ☐ both of you?		
(f)	Social security number of spouse, at time of sale, if different from number on Form 1040 ▶ .... (Enter "none" if you were not married at time of sale.)		

15	Enter the smaller of line 7 or $125,000 ($62,500, if married filing separate return)	15	
16	Part of gain included (subtract line 15 from line 7)	16	
17	Cost of new residence. If you did not buy a new principal residence, enter "None." Then enter the gain from line 16 on Schedule D (Form 1040), line 9a,* and do not complete the rest of Form 2119	17	
18	Gain taxable this year. (Subtract the sum of lines 15 and 17 from line 9. The result cannot be more than line 16.) If line 17 plus line 15 is more than line 9, enter zero. Enter any taxable gain on Schedule D (Form 1040), line 9a*	18	
19	Gain to be postponed (subtract line 18 from line 16)	19	
20	Adjusted basis of new residence (subtract line 19 from line 17)	20	

***Caution:** If you completed Form 6252 for the residence in 1(a), do not enter your taxable gain from Form 2119 on Schedule D.

For Paperwork Reduction Act Notice, see back of form.

Form **2119** (1982)

Instructions

Paperwork Reduction Act Notice.—We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

A. Purpose.—Use Form 2119 to report gain from selling your principal residence, whether or not you buy another. A loss is not deductible. Use this form to postpone gain or make the one-time election to exclude it from your income.

Report any taxable gain on Schedule D (Form 1040). However, if you sold your residence on the installment method, complete Form 6252, Computation of Installment Sale Income, in addition to Form 2119.

For more information, see **Publication 523**, Tax Information on Selling Your Home.

Principal Residence.—Postponement or Exclusion of gain applies only to the sale of your principal residence. Usually, the home where you live is your principal residence. It can be for example, a house, houseboat, housetrailer, cooperative apartment, or condominium. If you have more than one residence, your principal residence is the one you physically occupy most of the time.

B. Postponing Gain on Sale of Principal Residence.—Unless you elect to exclude gain from selling your principal residence, as described in instruction D, you may have to postpone the gain if you buy or build, and occupy another principal residence within 2 years before or after the sale. If, after you sell your old residence, you are on active duty in the U.S. Armed Forces for more than 90 days or you live and work outside the U.S., that time is not counted in figuring your replacement period. *However, this replacement period is never permitted to extend beyond 4 years after the date of sale.*

Any gain that you postpone in the year you sell your old residence is subtracted from the cost of your new residence and lowers its basis. If you sell the new residence in a later year and do not replace it, the postponed gain will be taxed then. However, see instruction D. If you do replace it, you may continue to postpone the gain. If you change your principal residence more than once during the replacement period, only the last residence you bought qualifies as your new residence for postponing gain, unless you sold the residence because of a job relocation and are allowed a moving expense deduction.

C. When to File.—File Form 2119 for the year of sale whether or not you have replaced your principal residence.

If you plan to replace your residence but have not done so by the time you file your return, and the replacement period has not expired, attach Form 2119 to Form 1040 for the year of sale, but complete lines 1(a), 2(a), and 3 through 7 only. In that case, do not include the gain on Schedule D. If you replace it after you file your return, within the replacement period, and it costs as much as the adjusted sales price of your old residence, write to notify the Director of the Internal Revenue Service Center where you filed your return. Attach a new completed Form 2119 for the year of sale.

If you replace your residence after you file your return, within the replacement period, and it costs less than the adjusted sales price of the old one, or you do not replace it within the replacement period, file Form 1040X with a Schedule D and a new Form 2119 for the year of sale. Show the gain then. Interest will be charged on the additional tax due.

If you paid tax on the gain from selling your old residence and buy a new one within the replacement period, file Form 1040X with Form 2119 to claim any refund due you.

D. Excluding Gain from Income.—You can elect to exclude from your income part or all of the gain from the sale of your principal residence if you meet the following tests:

1. You were 55 or over on the date of the sale.
2. Neither you nor your spouse has already elected this exclusion after July 26, 1978.
3. You owned and occupied your residence for periods totaling at least 3 years within the 5 years ending on the date of sale.

The exclusion election is a once-in-a-lifetime election, so you may choose not to make it now.

The gain excluded from your income is never taxed. The rest of your gain is taxed in the year of sale, unless you replace the residence and postpone that part of the gain. Generally, you can make or revoke the exclusion election within 3 years from the date the return was due, including extensions, for the year you sold the residence. Use Form 1040X to amend your return.

Married Taxpayers.—If you and your spouse own the property jointly and file a joint return, only one of you must meet the age, ownership, and use tests for electing the exclusion. If you do not own the property jointly, only the owner must meet these tests, regardless of your filing status on Form 1040.

If you are married at the time of sale, both you and your spouse must make the election to exclude the gain. If you do not file a joint return with that spouse, that spouse must consent to the election by writing in the bottom margin of Form 2119 or on an attached statement, "I consent to Part III election," and signing.

The election does not apply separately to you and your spouse. If you and your spouse make an election during marriage and later divorce, no further elections are available to either of you or to your new spouse if you remarry.

E. Applying Separate Gain to Basis of New Residence.—Sometimes one spouse owns the old residence separately but both spouses own the new one jointly (or vice versa). In those cases the postponed gain from the old residence and the adjusted basis of the new one may be divided between the husband and wife.

You and your spouse may divide the gain and the adjusted basis if both of you:

1. use the old and new residences as your principal residence; and
2. sign a consent that says, "We consent to reduce the basis of the new residence by the gain from selling the old residence." Write this statement in the bottom margin of Form 2119 or on an attached sheet, and sign it. If you both do not sign the consent, determine the recognition of gain in the regular way with no division.

Line-By-Line Instructions

Use Parts I and II to figure the gain that must be postponed. Complete Part III if you elect the one-time exclusion.

Line 3. Selling Price of Residence.—Enter the amount of money you received, the amount of all notes, mortgages, or other liabilities to which the property was subject, and the fair market value of any other property you received.

Note: *Report interest from a note as income when received.*

Line 4. Commissions and Other Expenses of Sale.—This includes sales commissions, advertising expenses, attorney and legal fees, etc., incurred in order to sell the old residence. Loan charges, such as "loan placement fees" or "points" charged the seller, generally are selling expenses. Do not include amounts deducted as moving expenses.

Line 6. Basis of Residence Sold.—Include the original cost of the property, commissions, and other expenses incurred in buying it, plus the cost of improvements. Subtract any depreciation allowed or allowable, any casualty loss or energy credit you took on the residence, and the postponed gain on the sale or exchange of a previous principal residence. For more information, see **Publication 551, Basis of Assets.**

Line 8. Fixing-up Expenses.—These are decorating and repair expenses incurred only to help sell the old property. You must have incurred them for work performed within 90 days before the contract to sell was signed, and paid for within 30 days after the sale. Do not include capital expenditures for permanent improvements or replacements that are added to the basis of the property sold.

Use fixing-up expenses to figure the adjusted sales price only when you determine the gain on which tax is postponed. Do not deduct these expenses when you determine your actual profit from selling your old residence.

Lines 10 and 17. Cost of New Residence.—The cost of your new residence includes one or more of the following:

- *(a)* cash payments;
- *(b)* the amount of any mortgage or other debt on the new residence;
- *(c)* commissions and other purchase expenses you paid that were not deducted as moving expenses;
- *(d)* construction costs (when you build your own residence) made within 2 years before and 2 years after the sale of the old residence;
- *(e)* if you buy rather than build your new residence, all capital expenditures made within 2 years before and 2 years after the sale of the old residence.

Form **2120**
(Rev. Sept. 1981)

Department of the Treasury—Internal Revenue Service

Multiple Support Declaration

OMB No. 1545-0071
Expires 8-31-84

During the calendar year 19............, I paid more than 10% of the support of

....
(Name of person)

I could have claimed this person as a dependent except that I did not pay more than 50% of his or her support.

I understand that this person is being claimed as a dependent on the income tax return of ....
(Name)

...., and
(Address)

I agree not to claim an exemption for this person on my Federal income tax return for any tax year beginning in this calendar year.

.... (Your signature)

.... (Your social security number)

.... (Date)

.... (Address)

For Paperwork Reduction Act Notice, see back of form.

Instructions

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

If two or more persons together paid more than 50% of the support of an individual for a calendar year and each could claim that person as a dependent except that they did not individually pay more than 50% of the support, one of the contributors can claim the person as a dependent if:

(1) the taxpayer claiming the person as a dependent paid more than 10% of the support, and

(2) each contributor (other than the taxpayer claiming the dependent) who paid more than 10% of the support of the dependent agrees not to claim that person as a dependent for any tax year beginning in that calendar year.

Each person (other than the taxpayer claiming the dependent) who paid more than 10% of the support of the dependent must complete this declaration and give it to the taxpayer claiming the dependent, who in turn must file the declarations with his or her return.

The taxpayer claiming an exemption for the dependent should be prepared to support the right to claim the exemption if requested.

Form **2210**

Department of the Treasury
Internal Revenue Service (X)

Underpayment of Estimated Tax by Individuals

▶ See instructions on back
▶ Attach to Form 1040

OMB No. 1545-0140

1982
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Name(s) as shown on Form 1040

Social security number

Part I Figuring Your Underpayment

If you qualify to refigure the taxable amount of your unemployment compensation (line 20b, Form 1040, or line 9b, Form 1040A), check this box ▶ ☐. (See instructions under Taxable Unemployment Compensation.)

1 1982 tax (from Form 1040, line 59)	1	
2 Add the amounts on lines 52, 53, 55, 56, 62, and 65, Form 1040. Also add tax on an IRA from Part I or III, Form 5329, reported on line 57, Form 1040. Write total here	2	
3 Subtract line 2 from line 1	3	
4 Add the amounts on lines 60 and 64, Form 1040, and write the total here	4	
5 Subtract line 4 from line 3. (If less than $200, stop here; do not complete the rest of this form.) . .	5	
6 Multiply the amount on line 3 by .80 and enter result here	6	

		Payment Due Dates			
		(a) Apr. 15, 1982	(b) June 15, 1982	(c) Sept. 15, 1982	(d) Jan. 17, 1983
7 Divide amount on line 6 by the number of payments required for the year (usually four). Enter the result in appropriate columns	7				
8 Estimated tax paid and tax withheld (see instructions)	8				
9 Overpayment (on line 11) from previous period (see instructions)	9				
10 Add lines 8 and 9	10				
11 Underpayment. (Subtract line 10 from line 7.) OR Overpayment. (Subtract line 7 from line 10.) . .	11				

Part II Exceptions to the Penalty (Farmers and fishermen, see instructions for special exception.)

12 Total amount paid and withheld from January 1 to and including the payment due date shown . .	12				
13 Exception 1.—(See instructions.) Enter 1981 tax . . ▶ $	13	25% of 1981 tax:	50% of 1981 tax:	75% of 1981 tax:	100% of 1981 tax:
14 Exception 2.—Tax on 1981 income using 1982 rates and exemptions. (See instructions and attach computation.) . .	14	Enter 25% of tax:	Enter 50% of tax:	Enter 75% of tax:	Enter 100% of tax:
15 Exception 3.—Tax on annualized 1982 income. (See instructions and attach computation.)	15	Enter 20% of tax:	Enter 40% of tax:	Enter 60% of tax:	Exceptions Do Not Apply
16 Exception 4.—Tax on 1982 income over 3-, 5-, and 8-month periods. (See worksheet on back.) . . .	16	Enter 90% of tax:	Enter 90% of tax:	Enter 90% of tax:	

Part III Figuring the Penalty (Complete lines 17a through 19, if none of the exceptions in Part II applies.)

17 a Number of days after due date of payment to and including date of payment or December 31, 1982, whichever is earlier. If December 31 is earlier, enter 260, 199, and 107 respectively	17a				
b Number of days after due date of payment to and including date of payment or April 15, 1983, whichever is earlier. If April 15 is earlier, enter 88	17b				
c Number of days after December 31, 1982, to and including date of payment or April 15, 1983, whichever is earlier. If April 15 is earlier, enter 105 in each column	17c				
18 a $\frac{\text{Number of days on line 17a}}{365}$ × 20% × underpayment on line 11	18a				
b $\frac{\text{Number of days on line 17b}}{365}$ × 16% × underpayment on line 11	18b				
c $\frac{\text{Number of days on line 17c}}{365}$ × 16% × underpayment on line 11	18c				

19 Penalty (add amounts on lines 18a, b, and c). Check the box below line 71 on Form 1040 and show this amount in the space provided. If you owe tax, add penalty to tax and show total on line 71. If you are due a refund, subtract penalty from overpayment on line 68	19	

For Paperwork Reduction Act Notice, see back of form.

Form **2210** (1982)

General Instructions

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose.—Everyone must prepay each year's tax, either by having tax withheld or by paying estimated tax. If you are not a qualified farmer or fisherman, use this form: (1) to see if you paid enough estimated tax in each of the four payment periods (Part I); (2) if you did not, to see if any of the exceptions apply (Part II); and (3) if none applies, to figure the penalty (Part III).

For more information about the penalty and the exceptions, see **Publication 505,** Tax Withholding and Estimated Tax. You can get publications from the IRS Forms Distribution Center for your State.

Taxable Unemployment Compensation.—If you received taxable unemployment compensation during 1982, you may be able to reduce the taxable amount for purposes of figuring any underpayment penalty. Please get **Publication 905,** Tax Information on Unemployment Compensation, to see if you qualify to use a reduced amount and, if so, how to figure the amount. If you qualify, check the box in Part I.

Farmers and Fishermen.—If you meet both the following tests, you do not owe a penalty for underpaying estimated tax. Do not file this form.

(1) Your gross income from farming and fishing is at least two-thirds of your annual gross income for 1981 or 1982, and

(2) You filed Form 1040 and paid the tax by March 1, 1983.

If you meet test (1) but not test (2), use **Form 2210F,** Underpayment of Estimated Tax by Farmers and Fishermen, to see if you owe a penalty.

For a definition of gross income: farmers, see **Publication 225;** fishermen, see **Publication 595.**

Specific Instructions

Part I.—If line 5 is $200 or more, complete lines 6 through 11. Follow the instructions for lines 8 and 9. If you have an underpayment in any column on line 11, go to Part II.

Line 8.—You are considered to have paid any withheld Federal income tax or excess FICA/RRTA tax evenly over the whole year unless you can show otherwise. To figure even payments, divide the total amount withheld by 4, and enter the result in each column.

Caution: Complete lines 9 through 11 for one payment period before you go to the next period.

Line 9.—If you have an overpayment on line 11 in the column for the preceding period, subtract from that overpayment all earlier underpayments on line 11. Enter the result on line 9, in the column you are completing.

If you made more than one payment during a period, attach your computations. If you file your return and pay the tax due by January 31, 1983, you do not have to make the 4th installment (due January 17, 1983).

Part II.—You will not have to pay a penalty if: (1) you paid your 1982 tax payments (line 12) on time; and (2) the amount on line 12 is equal to or more than the tax figured under any of the four exceptions (explained later) for the same payment period. **No other exceptions apply.**

Since taxpayers most often meet exceptions 1 and 4 (explained later), you may want to try those exceptions first. Generally, if you receive income in a lump sum, such as a bonus, capital gains, or lottery winnings, you should consider exception 4 first.

If you cannot meet exception 1 or 4, read the explanations for exceptions 2 and 3 below. If you think exception 2 or 3 applies, please get **Publication 505,** which contains worksheets to help you figure these exceptions. (**Note:** *If you did not file a 1981 return, you may not use exception 1 or 2.*)

Line 13.—For exception 1, your 1981 return must cover 12 months and show a tax liability. Add the amounts on lines 47, 48, 50, and 53, Form 1040. Then add the tax from Part II, Form 5329, reported on line 52, Form 1040. Subtract the credits on lines 57 and 60, Form 1040. Also, if applicable, subtract the amount on line 3, Form 6249 (Rev. Jan. 1982) or 6249–A (1981). This is your 1981 tax. Write it in the space provided on line 13.

Line 14.—Exception 2 applies if your 1982 tax payments at least equal the tax (figured using the taxes and credits specified in **Publication 505**) that would have been due on your 1981 income (including self-employment income), if you had figured it using 1982 rates. Use the personal exemptions you are allowed for 1982, but use the other facts and law that apply to your 1981 return. Your 1981 return does not have to show a tax liability.

Line 15.—Exception 3 applies if your 1982 tax payments equal at least 80% of the tax (figured using the taxes and credits specified in **Publication 505**) on your annualized taxable income and self-employment income for periods from January 1, 1982, to March 31, May 31, or August 31, 1982.

Line 16.—Exception 4 applies if your 1982 tax payments equal at least 90% of the tax on your actual taxable income and self-employment income for the periods from January 1, 1982, to March 31, May 31, or August 31, 1982. Use the worksheet below to figure this exception.

Exception 4 Worksheet		1/1/82 to 3/31/82	1/1/82 to 5/31/82	1/1/82 to 8/31/82
1 Enter your actual taxable income for the period	1			
2 Enter tax on amount on line 1 from Tax Table, Tax Rate Schedule, or Schedule G	2			
3 Enter the additional taxes from Form 1040, line 39, that apply for the period	3			
4 Enter self-employment tax from line 6 of the worksheet below	4			
5 Enter the total amounts on lines 54 and 58, Form 1040, that apply for the period	5			
6 Enter tax from Form 5329, Part II, reported on Form 1040, line 57, that applies for the period	6			
7 Add lines 2 through 6	7			
8 Enter total credits from Form 1040, lines 41–48, 62, and 65, that apply for the period	8			
9 Subtract line 8 from line 7. Enter 90% of this amount on line 16, Part II, of this form	9			

Self-Employment Tax Worksheet		1/1/82 to 3/31/82	1/1/82 to 5/31/82	1/1/82 to 8/31/82
1 Enter your actual self-employment income for the period	1			
2 Limit	2	$32,400	$32,400	$32,400
3 Enter your actual wages subject to FICA tax	3			
4 Subtract line 3 from line 2	4			
5 Enter the amount on line 1 or 4, whichever is less	5			
6 Multiply the amount on line 5 by .0935	6			

Form **2220**
Department of the Treasury
Internal Revenue Service

Underpayment of Estimated Tax by Corporations

► Attach to your tax return.

OMB No. 1545-0142

1982

Name

Employer identification number

Part I How to Figure Your Underpayment

For Paperwork Reduction Act Notice, see back of form.

Note: *If you meet any of the exceptions that avoid the underpayment penalty for ALL quarters, complete only lines 10 through 13.*

1 1982 tax (Form 1120, line 31, page 1)		
2 (a) Personal holding company tax included in line 1 (Form 1120, line 7, Schedule J)		▨
(b) Credit for Federal tax on special fuels and oils (Form 1120, line 32(f), page 1)		▨
(c) Minimum tax on tax preference items (Form 1120, line 9, Schedule J)		▨
3 Total—Add lines 2(a) through 2(c)		
4 Subtract line 3 from line 1		
5 80% of line 4		

	Due Dates of Installments			
	(a)	(b)	(c)	(d)
Enter in columns (a) through (d) the installment dates that correspond to the 15th day of the 4th, 6th, 9th, and 12th months of your tax year. If any date falls on a Saturday, Sunday, or legal holiday, substitute the next regular workday ►				
6 Enter 25% of line 5 in columns (a) through (d)				
7 (a) Amount paid or credited for each period				
(b) Overpayment of previous installment (enter any overpayment shown on line 9 that is more than the total of all prior underpayments as a credit against the next installment)	▨			
8 Add lines 7(a) and 7(b)				
9 Underpayment (subtract line 8 from line 6) or overpayment (subtract line 6 from line 8)				

Part II Exceptions to the Penalty (Read instructions for lines 11 and 12 before entering an amount)

	(a)	(b)	(c)	(d)
10 Total amount paid or credited from the beginning of the tax year through the installment dates that correspond to the 15th day of the 4th, 6th, 9th, and 12th months of your tax year				
11 (a) Exception 1, prior year's tax	25% of tax	50% of tax	75% of tax	100% of tax
(b) Large corporation's current year's tax (see instruction)	16.25% of tax	32.50% of tax	48.75% of tax	65% of tax
12 (a) Exception 2, tax on prior year's income based on the facts shown on the prior year's return but using current year's rates	25% of tax	50% of tax	75% of tax	100% of tax
(b) Large corporation's current year's tax (see instruction)	16.25% of tax	32.50% of tax	48.75% of tax	65% of tax
13 Exception 3, tax on annualized income (attach computation)	20% of tax	40% of tax	60% of tax	80% of tax

Part III How to Figure the Penalty

	(a)	(b)	(c)	(d)
Enter same installment dates used above ►				
14 Amount of underpayment from line 9				
15 Enter the date of payment or the 15th day of the 3d month after the close of the tax year, whichever is earlier				
16 Number of days from due date of installment to the date shown on line 15				
17 Number of days on line 16 before January 1, 1983				
18 Number of days on line 16 after 12/31/82, and before 7/1/83				
19 Number of days on line 16 after 6/30/83, and before 1/1/84				
20 Number of days on line 16 after 12/31/83, and before 2/16/84				
21 $\frac{\text{Number of days on line 17}}{\text{Number of days in the tax year}} \times 20\% \times$ amount on line 14				
22 $\frac{\text{Number of days on line 18}}{\text{Number of days in the tax year}} \times 16\% \times$ amount on line 14				
23 $\frac{\text{Number of days on line 19}}{\text{Number of days in the tax year}} \times {*}\% \times$ amount on line 14				
24 $\frac{\text{Number of days on line 20}}{\text{Number of days in the tax year}} \times {**}\% \times$ amount on line 14				
25 Underpayment penalty (total of lines 21 through 24)				

26 Add columns (a) through (d), line 25. Enter here and in space below line 33, Form 1120 . . . . ____

*A corporation whose tax year ends after March 31, 1983, see the instructions for line 23.
**A corporation whose tax year ends after September 30, 1983, see the instructions for line 24.

Instructions

(References are to the Internal Revenue Code)

Paperwork Reduction Act Notice

The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Tax Law Changes

The Tax Equity and Fiscal Responsibility Act of 1982, hereinafter referred to as "the Act," has made the following important changes:

(1) Accelerated tax payments.—For tax years beginning after December 31, 1982, the amount of estimated tax payments required by a corporation to avoid the underpayment penalty is increased from 80% to 90%. See sections 6655(b)(1) and (d)(3).

(2) Semiannual determination of interest rates.—Effective for adjustments taking effect after December 31, 1982, the interest rates will be redetermined twice a year instead of once a year. These interest rates will be effective January 1 and July 1. See section 6621(b).

Purpose of Form

Form 2220 is used by corporations to determine whether they paid enough estimated tax, whether they are subject to the penalty for underpayment of estimated tax, and, if so, the amount of penalty. Estimated tax is a corporation's expected income tax liability minus its credits. A corporation must make estimated tax payments if it can reasonably expect its estimated tax to be $40 or more.

How to Use This Form

Complete Part I of Form 2220 to find out if you have an underpayment for any of the four payment periods. If you have an underpayment on line 9 (column a, b, c, or d), go to Part II, Exceptions to the Penalty. If you cannot meet any of the exceptions for a payment period, go to Part III, How to Figure the Penalty. If you are using Form 2220 either to figure the estimated tax penalty or to show that you qualify for any exception, attach Form 2220 to your income tax return. If you are filing Form 1120, please check the box below line 33, page 1, of Form 1120.

Part I. How to Figure Your Underpayment

Complete lines 1 through 9 in Part I. The instructions for most of these lines are on the form itself. Follow the instructions below for line 7(b) and line 9.

Line 7(b).—Enter any overpayment shown on line 9 that is more than the total of all earlier underpayments.

Line 9.—If line 9 shows an underpayment, complete Part II to see if any of the exceptions apply.

Part II. Exceptions to the Penalty

You will not have to pay a penalty if all of your tax payments (Part II, line 10) were made on time and are equal to or more than any one of the amounts figured as explained by the exceptions (lines 11, 12, and 13) for the same payment period (column a, b, c, or d).

Note: *The term "tax" for purposes of the following exceptions does not apply to minimum tax.*

The three exceptions to the penalty are:

Line 11(a).—Exception 1, prior year's tax.—Generally, this exception applies if the corporation paid an amount equal to or more than the tax ("tax" equals line 4 of the 1981 Form 2220) shown on its 1981 return. (See instructions for line 11(b) for minimum estimated tax payment rules for large corporations.) However, the corporation must have filed an income tax return showing a tax liability for the preceding tax year and that year must have consisted of 12 months.

Line 11(b).—Large corporation's current year's tax.—A special rule (under section 6655(i)) applies to large corporations. If the corporation had taxable income of $1 million or more in any of the 3 years immediately before the current year, the corporation must have paid 65% or more of the current year's tax liability to qualify under Exception 1. For Exception 1 to apply, use the amount on line 11(a) or 11(b), whichever is larger. If the corporation is a member of a controlled group of corporations, see section 1561 to determine whether the members are considered large corporations. (See note below.)

Line 12(a).—Exception 2, tax on prior year's income using current year's rates.—Generally, this exception applies if the amount the corporation paid is equal to or more than the tax figured by using the current year's rates but based on the facts shown on the prior year's return and the law that applies to the prior year. (See instructions for line 12(b) for minimum estimated tax payment rules for large corporations.)

Line 12(b).—Large corporation's current year's tax.—A special rule (under section 6655(i)) applies to large corporations. If the corporation had taxable income of $1 million or more in any of the 3 years immediately before the current year, the corporation must have paid 65% or more of the current year's tax liability to qualify under Exception 2. For Exception 2 to apply, use the amount on line 12(a) or 12(b), whichever is larger. If the corporation is a member of a controlled group of corporations, see section 1561 to determine whether the members are considered large corporations. (See note below.)

Note: *These 65% estimated tax payment requirements in lines 11(b) and 12(b) increase to 75% for 1983.*

Line 13.—Exception 3, tax on annualized income.—This exception applies if the estimated tax paid was equal to or more than 80% of the amount the corporation would owe if its estimated tax were a tax figured on annualized taxable income for the months preceding an installment date.

A corporation may annualize its income as follows:

(a) For the first 3 months if the installment was required to be paid in the 4th month.

(b) For the first 3 months or for the first 5 months if the installment was required to be paid in the 6th month.

(c) For the first 6 months or for the first 8 months if the installment was required to be paid in the 9th month.

(d) For the first 9 months or for the first 11 months if the installment was required to be paid in the 12th month.

To annualize, multiply taxable income for the period by 12 and divide the result by the number of months in the period (3, 5, 6, 8, 9, or 11, as the case may be).

Please attach your computation.

Part III. How to Figure the Penalty

If no exception applies, complete lines 14 through 26 to determine the amount of the penalty. The penalty is figured for the period of underpayment determined under section 6655 at a rate determined under section 6621. This is 20% a year for periods before January 1, 1983, and 16% a year fo periods after December 31, 1982, and before July 1, 1983. For periods after June 30 1983, see the instructions for lines 23 and 24.

A payment of estimated tax on or before any installment date is considered a payment of any previous underpayment only to the extent the payment is more than the amount of the current installment as figured on line 6. If the corporation made more than one payment for an installment attach a separate computation for each installment.

Line 23.—A fiscal year corporation whose tax year ends after March 31, 1983, must use an interest rate that the IRS will announce by April 15, 1983, in a News Release with an accompanying Revenue Ruling.

Line 24.—A fiscal year corporation whose tax year ends after September 30, 1983 must use an interest rate that the IRS wil announce by October 15, 1983, in a New Release with an accompanying Revenue Ruling.

Note: *There are exceptions to the underpayment penalty for 1982 that apply to: (1 certain leasing provisions (see section 20 (d)(6) of the Act); and (2) certain insuranc companies (see section 268 of the Act). I either exception applies, write in the margi next to the amount on line 26 the word "section 208(d)(6)" or "section 268".*

Form **2440**
Department of the Treasury
Internal Revenue Service (X)

Disability Income Exclusion

(Applies Only to Disabled Retirees Under Age 65)
▶ Attach to Form 1040. ▶ See Instructions on back.

OMB No. 1545-0069
1982
25

Name(s) as shown on Form 1040

Social security number

See Line 4 Instructions for Income Limits on Exclusion

	Date you retired (if after December 31, 1976, also enter this date in the space after box (2) on physician's statement below).	Employer's name (also give payer's name, if other than employer)
Yourself		
Spouse		

Note: *To take the disability income exclusion, you must complete lines 1 through 5.*

	Joint return filers use column (a) for wife and column (b) for husband. All other filers use column (b) only. (a)	(b)
1 Enter total disability pay you got during 1982		
2 Excludable disability pay (see instructions):		
(i) Multiply $100 by the number of weeks for which your disability payments were at least $100. Enter total		
(ii) If you received disability payments of less than $100 for any week, enter the total amount you received for all such weeks		
(iii) If you received disability payments for less than a week, enter the smaller amount of either the amount you received or the highest exclusion allowable for the period (see instructions)		
(iv) Add lines (i), (ii), and (iii). Enter total		
3 Add amounts on line 2(iv), columns (a) and (b). Enter total		
4 Limit on exclusion (see instructions):		
(i) Enter total income from Form 1040, line 22		
(ii) Add amounts on Form 1040, lines 23 through 28 and any write-in adjustments on line 31. Enter total		
(iii) Subtract line (ii) from line (i)		
(iv) Amount used to figure any exclusion decrease	$15,000.00	
(v) Subtract line (iv) from line (iii). If line (iv) is more than line (iii), enter zero		
5 Subtract line 4(v) from line 3. This is your disability income exclusion. Enter here and on Form 1040, line 30		

6 If you filed a physician's statement for this disability in an earlier year, please check this box. ▶ ☐ You do not have to file another statement. If you have not, you must file a physician's statement (see below).

For Paperwork Reduction Act Notice, see instructions on back.

Form **2440** (1982)

Physician's Statement of Permanent and Total Disability

▶ **Please complete and return to taxpayer.**

Name of disabled taxpayer

Social security number

I certify that the taxpayer named above was (check only one box—please see instructions below):

(1) ☐ Permanently and totally disabled on January 1, 1976, or January 1, 1977.

(2) ☐ Permanently and totally disabled on the date he or she retired. Date retired ▶

Physician's name

Physician's address

Physician's signature

Date

Instructions for Statement

Taxpayer

Please enter your name and social security number. If you retired after December 31, 1976, enter your retirement date in the space after box (2).

Physician

Box (1) applies to taxpayers who retired before January 1, 1977.

Box (2) applies to taxpayers who retired after December 31, 1976.

What is Permanent and Total Disability?

A person is permanently and totally disabled when—

- He or she cannot engage in any substantial gainful activity because of a physical or mental condition; and
- A physician determines that the disability (a) has lasted or can be expected to last continuously for at least a year; or (b) can be expected to lead to death.

General Instructions

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

A. Purpose.—If you retired on disability, you must include all of your disability income on Form 1040, line 7 (see Instruction D for exception). However, you may be able to exclude part of it from the income on which you are taxed. To do that, you must meet the tests explained below. For details, please see **Publication 522,** Disability Payments.

B. Who Can Exclude Disability Income.—You can take the exclusion for 1982 if you meet ALL these tests:

- You got disability pay.
- You were not yet 65 when your tax year ended.
- You retired on disability and were permanently and totally disabled when you retired. (See Instruction C, **What is Permanent and Total Disability?**) (See also instructions for **Physician's Statement.**)
- On January 1, 1982, you had not yet reached the age when your employer's retirement program would have required you to retire.
- You did not let IRS know that you chose to treat your disability income as a pension instead of taking the exclusion. (See Instruction D.)
- If you were married at the end of 1982, you must file a joint return. (This rule does not apply if you did not live with your spouse at any time in 1982. If this is the case, write on the Spouse line on page 1, "I did not live with my spouse during the tax year.")

If you meet these tests, you can take the exclusion until the earliest of the following dates:

(1) The first day of the tax year in which you turn 65.

(2) The first day of the tax year for which you choose to treat your disability income as a pension. (See Instruction D.)

(3) The day you reach the age when your employer's retirement program would have required you to retire.

C. What is Permanent and Total Disability?—A person is permanently and totally disabled when:

- He or she cannot engage in any substantial gainful activity because of a physical or mental condition; and
- A physician determines that the condition (1) has lasted or can be expected to last continuously for at least a year; or (2) can be expected to lead to death.

The examples below show substantial gainful activity. In such cases, the disability income exclusion cannot be taken.

Example (1): Bob worked at a hotel as a desk clerk. After retiring on disability, he got a desk clerk job at another hotel. Bob does all the duties of the job and is paid more than the *minimum* wage. Because Bob does the job on the same terms as the other desk clerks and is paid more than the minimum wage, he is considered engaged in a substantial gainful activity. He cannot take the disability income exclusion.

Example (2): Sue retired on disability as a sales clerk. She now works as a full-time babysitter for more than the minimum wage. Even though Sue does different work, she babysits on ordinary terms for more than the minimum wage. She cannot take the disability income exclusion.

Example (3): Mary, president of the XYZ Corporation, retired on disability because of terminal illness. However, her doctor advised her to work part time. She now works for another company as a part-time manager. She is paid more than the minimum wage and the employer sets her days and hours. Even though Mary's illness is terminal and she works part time, she is considered engaged in a substantial gainful activity. She cannot take the exclusion.

Example (4): Jane retired on disability and now works at an easier job in a full-time competitive work situation. She earns half of what she used to, but is paid more than the minimum wage. She is considered engaged in a substantial gainful activity. She cannot take the exclusion.

The following example shows a person who might not be considered to be engaged in a substantial gainful activity.

Example: John, who retired on disability, took a job with a former employer on a trial basis. The purpose of the job was to see if John could do the work. The trial period lasted for some time during which John was paid at a rate equal to the minimum wage. However, because of John's disability only light duties of a nonproductive make-work nature were given him. Unless the activity is both substantial and gainful, John is not engaged in substantial gainful activity. The activity was gainful because John was paid at a rate at or above the minimum wage. However, the activity was not substantial because the duties were of a nonproductive, make-work nature. Therefore, these facts do not, by themselves, establish John's ability to engage in substantial gainful activity.

D. Treating Disability Income as a Pension.—Instead of taking the exclusion, you can choose to treat your disability income as a pension. If you do, you cannot take the disability income exclusion in any later year.

It may help you more not to take the exclusion, but to treat the income as a pension instead. This may be so if:

(1) The income limits in line 4 lower your exclusion; or

(2) You reached minimum retirement age in 1982 and can take a **Credit for the Elderly** under the Schedule RP (Form 1040) rules; or

(3) Because of your condition, you do not expect to live long enough to recover the tax-free part (your cost) of the pension.

To treat your disability income as a pension, attach to your Form 1040 a statement that:

- You are eligible to take the exclusion; and
- You choose to treat the income as a pension and will not take the exclusion.

You must also attach a physician's statement (described in Specific Instructions) if you have not submitted one.

For more information, see instructions for Form 1040, line 17.

Specific Instructions

Lines 2(i) and (ii).—You can exclude either your actual weekly disability pay or $100 a week, whichever is less. This table shows how to figure your weekly disability pay.

Pay period	Your weekly pay is the following part of what you receive each pay period
Weekly	All
Every 2 weeks . .	Half
Twice a month . .	Multiply your pay by 24, and divide the result by 52
Each month . . .	Multiply your pay by 12, and divide the result by 52
Other	Divide your yearly pay by 52

Line 2(iii).—If you received disability pay for part of a week, follow the steps below.

Step 1. Divide $100 by the number of days a week you normally worked before you retired.

Step 2. Divide the disability pay you got by the number of days it covered in that week.

Step 3. Compare the Step 1 and Step 2 amounts. The smaller amount is your daily rate. Your exclusion for the week is based on it.

Step 4. Multiply your daily rate by the number of days you received disability pay in the short week. The result is your exclusion for that week.

Step 5. Add your exclusion for that week to your exclusion for any other short weeks. Enter the total on line 2(iii).

Disability payments are made for part of a week when one of the following happens after the first day of the taxpayer's normal workweek:

(1) The disability retirement begins.

(2) The disability retirement ends because the taxpayer reaches required retirement age.

(3) The taxpayer dies.

Line 4.—Generally, the most a person can exclude is $5,200. This exclusion goes down, dollar for dollar, by any amount over $15,000 on line 4(iii). That line shows your adjusted gross income before you take the deduction for a married couple when both work and the disability income exclusion.

Generally, no exclusion is left if line 4(iii) is—

- $20,200 or more, and one person could take the exclusion.
- $25,400 or more, and both husband and wife could take the exclusion.

Treating your disability income as a pension may help you more than taking the exclusion. (See Instruction D.)

Physician's Statement.—Attach to Form 2440 a physician's statement of permanent and total disability. You can use the physician's statement on Form 2440 for this purpose. Please take it off the form and have your physician fill it in. Be sure to attach the completed statement to Form 2440 and file it with your tax return.

If both husband and wife take the exclusion, each must file a statement. If you filed a statement for the disability in an earlier year, do not file another. Instead, check the box on line 6 of Form 2440.

If you retired on disability before January 1, 1977, the physician's statement must show that you were permanently and totally disabled on January 1, 1976, or January 1, 1977.

If you retired on disability after 1976, the physician's statement must show that you were permanently and totally disabled when you retired.

If the Veterans Administration certifies that you are permanently and totally disabled, you can file Form 6004 instead of the physician's statement. Form 6004 must be signed by a physician on the VA disability rating board. You can get Form 6004 from the Veterans Administration.

Form **2441**
Department of the Treasury
Internal Revenue Service (X)

Credit for Child and Dependent Care Expenses

▶ Attach to Form 1040.
▶ See Instructions below.

OMB No. 1545-0068
1982
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Name(s) as shown on Form 1040

Your social security number

1 See the definition for "qualifying person" in the instructions. Then read the instructions for line 1.

(a) Name of qualifying person	(b) Date of birth	(c) Relationship	(d) During 1982, the person lived with you for:	
			Months	Days

2 Persons or organizations who cared for those listed on line 1. See the instructions for line 2.

(a) Name and address (If more space is needed, attach schedule)	(b) Social security number, if applicable	(c) Relationship, if any	(d) Period of care		(e) Amount of 1982 expenses (include those not paid during the year)
			From Month—Day	To Month—Day	

To Figure Your Credit, You MUST Complete ALL Lines That Apply

3 Add the amounts in column 2(e) 3

4 Enter $2,400 ($4,800 if you listed two or more names in line 1) or amount on line 3, whichever is less 4

5 Earned income (wages, salaries, tips, etc.). See the instructions for line 5. An entry MUST be made on this line.

(a) If unmarried at end of 1982, enter your earned income . . . .

(b) If married at end of 1982, enter:

(1) Your earned income . . . $

(2) Your spouse's earned income $

Enter the lesser of b(1) or b(2) . . . ▶ 5

6 Enter the amount on line 4 or line 5, whichever is less 6

7 Amount on line 6 paid during 1982. An entry MUST be made on this line . . . . ▶ 7

8 Multiply line 7 by percentage listed for your adjusted gross income in instructions for line 8 . . . 8

9 Multiply child and dependent care expenses for 1981 paid in 1982 by 20 percent (.20) and enter the result here. See instructions for line 9 9

10 Add amounts on lines 8 and 9 10

11 Limitation:

a Enter tax from Form 1040, line 40 . . . . 11a

b Enter total of lines 41 through 44 of Form 1040. See instructions for line 11 . . . . 11b

c Subtract line 11b from line 11a (if line 11b is more than line 11a, enter zero) 11c

12 Credit for child and dependent care expenses. Enter the smaller of line 10 or line 11c here and on Form 1040, line 45 . 12

13 If payments listed on line 2 were made to an individual, complete the following:

	Yes	No
(a) If you paid $50 or more in a calendar quarter to an individual, were the services performed in your home?		
(b) If "Yes," have you filed appropriate wage tax returns on wages for services in your home (see instructions for line 13)?		

(c) If answer to (b) is "Yes," enter your employer identification number . . . . ▶

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

General Instructions

If you or your spouse worked or looked for work, and you spent money to care for a qualifying person, this form might save you tax.

What is the Child and Dependent Care Expenses Credit?—This is a credit you can take against your tax if you paid someone to care for your child or dependent so that you could work or look for work. You can also take the credit if you paid someone to care for your spouse. The instructions that follow list tests that must be met to take the credit. If you need more information, please get **Publication 503,** Child and Disabled Dependent Care.

For purposes of this credit, we have defined some of the terms used here. Refer to these when you read the instructions.

Definitions

A qualifying person can be:

- Any person under age 15 whom you list as a dependent. (If you are divorced, legally separated, or separated under a written agreement, please see the Child Custody Test in the instructions.)
- Your spouse who is mentally or physically not able to care for himself or herself.
- Any person not able to care for himself or herself whom you can list as a dependent, or could list as a dependent except that he or she had income of $1,000 or more.

A full-time student is one who was enrolled in a school for the number of hours or classes that is considered full time. The student must have been enrolled at least 5 *months during* 1982.

What Are Child and Dependent Care Expenses?

These expenses are the amounts you paid for household services and care of the qualifying person.

Household Services.—These are services performed by a cook, housekeeper, governess, maid, cleaning person, babysitter, etc. The services must have been needed to care for the qualifying person as well as run the home. For example, if you paid for the services of a maid or a cook, the services must have also been for the benefit of the qualifying person.

Care of the Qualifying Person.—Care includes cost of services for the well-being and protection of the qualifying person.

Care does not include expenses for food and clothes. If you paid for care that included these items and you cannot separate their cost, take the total payment.

Example: You paid a nursery school to care for your child and the school gave the child lunch. Since you cannot separate the cost of the lunch from the cost of the care, you can take all of the amount that you paid to the school.

This example would not apply if you had school costs for a child in the first grade or above because these costs cannot be counted in figuring the credit.

You can count care provided outside your home if the care was for your depend-

(Continued on back)

ent under age 15 or for any other qualifying person who regularly spends at least 8 hours each day in your household. Care that is provided outside your home by a dependent care center can be counted provided the center complies with all applicable State and local regulations. A dependent care center is a place that provides care for more than six persons (other than persons who live there) and receives a fee, payment, or grant for providing services for any of those persons, regardless of whether or not the center is run for profit.

You can claim medical expenses you paid for the qualifying person if you paid them so you could work or look for work. If you itemized deductions, you may want to take all or part of these expenses on Schedule A. For example, if you can't take all of the medical expenses on Form 2441 because your costs for care have reached the limit ($2,400 or $4,800), you can take the rest of the medical expenses on Schedule A. If you show all of the medical expenses on Schedule A, you cannot take on Form 2441 that part you could not deduct on Schedule A because of the 3-percent limit.

To Take This Credit.—You must file Form 1040, not Form 1040A, and you must meet all of the tests listed below.

(1) You paid for child and dependent care so you (and your spouse if you were married) could work or look for work. If you work and your spouse does not, you may still qualify to take this credit. See the instructions for line 5.

(2) One or more qualifying persons lived in your home.

(3) You (and your spouse if you were married) paid more than half the cost of keeping up your home. This cost includes rent; mortgage interest; utility charges; maintenance and repairs; property taxes and property insurance; and food costs (but not dining out).

(4) You must file a joint return if you were married. There are two exceptions to this rule. You can file a separate return if:

(a) You were legally separated; or

(b) You were living apart and:

- The qualifying person lived in your home for more than 6 months; and
- You paid more than half the cost of keeping up your home; and
- Your spouse did not live in your home during the last 6 months of your tax year.

(5) You paid someone, other than your spouse or a person for whom you could claim a dependency exemption, to care for the qualifying person.

You are allowed to pay a relative, including a grandparent, who was not your dependent. If the relative is your child, he or she must also have been 19 or over by the end of the year.

Child Custody Test.—If you were divorced, legally separated, or separated under a written agreement, your child is a qualifying person if you had custody for the longer period during 1982. The child must also have:

- Received over half of his or her support from the parents, and
- Been in the custody of one or both parents for more than half of 1982, and
- Been under 15, or physically or mentally unable to care for himself or herself.

Credit Limit.—The credit is a percentage of the amount you paid someone to care for the qualifying person. The most you can figure the credit on is $2,400 a year for one qualifying person ($4,800 for two or more).

Specific Instructions

We have provided specific instructions for most of the lines on the form. Those lines that do not appear in the instructions are self-explanatory.

Line 1.—In column (d) show the number of months and days each person lived in your home during 1982. Count only the times when the person was qualified.

Line 2.—*In column (a)* show the name and address of the person or organization who cared for each qualifying person. If you listed a person who was your employee and who provided the care in your home, then in column (b) enter that person's social security number. Leave column (b) blank if the person: was not your employee; was self-employed; was an employee of an organization or a partnership; or did not provide the care in your home.

In column (c) write none if the person who provided the care was not related to you. If the care was provided by a relative, show the relationship to you.

Line 5.—This line is used to figure your *earned income.* Generally, you can figure earned income using steps (a) through (c) below. If you are unmarried, enter your amounts from Form 1040 when they are needed for the steps below. If you are married, each spouse's earned income will have to be figured separately and without regard to community property laws.

If your spouse was a full-time student or not able to care for himself or herself, use the greater of your spouse's monthly earned income or $200 a month ($400 if you listed two qualifying persons on line 1(a)) to determine his or her total income for the year.

If, in the same month, both you and your spouse were full-time students and did not work, you cannot use any amount paid that month to figure the credit. The same applies to a couple who did not work because neither was capable of self-care.

Reduce earned income by any net loss from self-employment. If your net earnings from self-employment are less than $1,600, you may be able to use the optional method to figure your self-employment income. Under this method, you may be able to increase your net earnings to $1,600. See **Publication 533,** Self-Employment Tax, for information. If you only have a loss from self-employment or your loss is more than your other earned income, and you do not use the optional method, you cannot take the credit.

(a) Enter one spouse's income from Form 1040, line 7 . . . ______________

(b) Enter the same spouse's net profit or (loss) from Schedule C or Schedule F (Form 1040) if applicable ______________

(c) Combine amounts on lines (a) and (b). (If the result is zero or less, enter zero.) . . . ______________

If you are unmarried, enter the amount from (c) on line 5. If you are married, enter the amount from (c) on line 5(b)(1) and go back and figure your spouse's earned income using steps (a) through (c). Enter your spouse's earned income from (c) on line 5(b)(2). Enter the lesser of line 5(b)(1) or line 5(b)(2) on line 5.

Line 7.—How much of the amount on line 6 did you pay in 1982? Enter this amount on line 7. Do not list any amounts for 1982 that you did not pay until 1983.

Line 8.—Multiply the amount on line 7 by the percentage listed below for your adjusted gross income (AGI), Form 1040, line 33.

AGI		Percentage	AGI		Percentage
Over—	But not over—		Over—	But not Over—	
0	$10,000	30%	$20,000	22,000	24%
$10,000	12,000	29%	22,000	24,000	23%
12,000	14,000	28%	24,000	26,000	22%
14,000	16,000	27%	26,000	28,000	21%
16,000	18,000	26%	28,000		20%
18,000	20,000	25%			

Line 9.—If you had child and dependent care expenses for 1981 that you did not pay until 1982, you may be able to increase the amount of credit you can take in 1982. To figure the increase in the amount of credit, multiply your 1981 child and dependent care expenses paid in 1982 by 20 percent. Your 1981 child and dependent care expenses must be within the 1981 limits. Attach a sheet similar to the example below, showing how you figured the increase.

Example: In 1981 you had child care expenses of $2,100 for your 12-year-old son. For one child, you were limited to $2,000. Of the $2,100, you paid $1,800 in 1981 and $300 in 1982. Your spouse's earned income of $5,000 was less than your earned income. You would be allowed to figure an increased credit of $40 in 1982, as follows:

(1) 1981 child care expenses paid in 1981 .	$1,800
(2) 1981 child care expenses paid in 1982 .	300
(3) **Total**	$2,100
(4) Limit for one qualifying person . . .	$2,000
(5) Earned income reported in 1981 . . .	$5,000
(6) Smaller of line 3, 4, or 5	$2,000
(7) Subtract child care expenses on which credit was figured in 1981	1,800
(8) 1981 child care expenses available for credit this year (1982)	$ 200
(9) Increase in 1982 credit. Multiply line 8 by 20%	$ 40

Line 11.—Your credit for child and dependent care expenses cannot be more than your tax after subtracting certain credits. To figure the allowable credit, enter your tax from Form 1040, line 40, on line 11a. Add the amounts, if any, you entered on Form 1040, lines 41 through 44. Also, add any WIN credit carryover you entered on Form 1040, line 46. Enter the total of these lines on line 11b. Subtract line 11b from 11a and enter the difference on line 11c. If line 11b is more than line 11a, enter zero on line 11c.

Line 12.—Enter the smaller of line 10 or 11c on this line and Form 1040, line 45. This is your credit for child and dependent care expenses.

Line 13.—In general, if you paid cash wages of $50 or more in a calendar quarter for household services to a person such as a cook, housekeeper, governess, maid, cleaning person, babysitter, etc., you must file an employment tax return. If you are not sure whether you should file an employment tax return, get Form 942, Employer's Quarterly Tax Return for Household Employees. **Note:** *You should file a Form 940, Employer's Annual Federal Unemployment Tax Return, for 1982 by January 31, 1983, if you paid cash wages of $1,000 or more for household services in any calendar quarter in 1981 or 1982.*

Form **2688**

Department of the Treasury
Internal Revenue Service

Application for Extension of Time to File

U.S. Individual Income Tax Return

(See back for filing instructions. Be sure to answer all questions.)

OMB No. 1545-0066

1982

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Please type or print. File the original and one copy by the due date for filing your return.	Your first name and initial (if joint return, also give spouse's name and initial)	Last name	**Your social security number**
	Present home address (Number and street, including apartment number, or rural route)		**Spouse's social security number**
	City, town or post office, State, and ZIP code		

If you expect to file a gift tax return for 1982 (Form 709 or Form 709-A) due by April 15, 1983, check this box ☐

1 I request an extension of time until ...., 19........, to file my individual income tax return (Form 1040) for the calendar year 1982, or other tax year ending ...., 19.........

2 Were you previously granted an extension of time to file for this tax year? . . . . ☐ Yes ☐ No

3 Previous extension granted to (date) . . . .

4 State in detail why you need an extension. ....

Signature and Verification

If Prepared by Taxpayer.—Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Your signature ▶.. Date ▶..............................

Spouse's signature ▶.. Date ▶..............................

If Prepared by Someone Other Than Taxpayer.—Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature of preparer other than taxpayer ▶.. Date ▶..............................

Note: *The person who signs this form may be an attorney or certified public accountant qualified to practice before the IRS, a person enrolled to practice before the IRS, or a person holding a power of attorney. If the taxpayer cannot sign because of illness, absence, or other good cause, a person in a close personal or business relationship to the taxpayer may sign this form.*

IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant—To Be Completed by IRS

☐ We HAVE approved your application. (Please attach this form to your return.)

☐ We HAVE NOT approved your application. (Please attach this form to your return.)

However, because of your reasons stated above, we have granted a 10-day grace period from the date shown below or due date of the return, whichever is later. This grace period is considered to be a valid extension of time for elections otherwise required to be made on returns filed on time.

☐ We HAVE NOT approved your application. After considering your reasons stated above, we cannot grant your request for an extension of time to file. (We are not granting the 10-day grace period.)

☐ We cannot consider your application because it was filed after the due date of the return.

☐ Other ....

....
Director

By: ....

....
Date

For Paperwork Reduction Act Notice, see back of form.

If the copy of this form is to be returned to you at an address other than that shown on page 1, or to an agent acting for you, please enter the name of the agent and/or the address where the copy should be sent.

Please Print or Type	Name	
	Number and street	
	City, town or post office, State, and ZIP code	

NOTE:

A. You cannot choose to have IRS figure your income tax if you file your return after the regular due date.

B. This is not an extension of time to pay tax. You may be charged a penalty for late payment of tax unless you show reasonable cause for not paying the tax when due.

C. Interest will be charged on any tax not paid by the regular due date of the return until the tax is paid.

Instructions

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose.—Use Form 2688 to ask for an additional extension of time to file your return if you have already filed **Form 4868,** Application for Automatic Extension of Time to File U.S. Individual Income Tax Return, to get an automatic 4-month extension of time, but still need more time. Except in cases of undue hardship, do not file Form 2688 unless you have first filed Form 4868.

You must file Form 2688 on time and show reasonable cause why you cannot file your return within the 4-month extension period allowed by properly filing Form 4868. Generally, we will consider your application based on your efforts to meet the filing requirements, rather than on the convenience of your tax return preparer. However, if your tax return preparer is not able to complete the return by the due date for reasons beyond his or her control, or if in spite of reasonable efforts you cannot get professional help in time to file, we will generally grant the additional extension.

Note: *Any extension of time granted for filing your 1982* **calendar** *year income tax return also extends the time for filing a gift tax return for 1982 due by April 15, 1983.*

Filing Form 2350.—If you are a U.S. citizen or resident alien living abroad who expects to qualify for special tax treatment, file Form 2350, Application for Extension of Time to File U.S. Income Tax Return, to ask for an extension of time to file your return. See **Publication 54,** Tax Guide for U.S. Citizens Abroad, for more information.

Period of Extension.—We cannot grant an extension of more than 6 months if you live in the United States. The 6-month extension period granted includes the 4 months granted if Form 4868 was previously filed.

When to File.—File Form 2688 by the due date of your return (April 15, 1983, for a 1982 calendar year return), or extended due date if Form 4868 was previously filed. U.S. citizens and resident aliens living or traveling outside the United States and Puerto Rico on the due date of their return are automatically allowed a 2-month extension (to June 15 for a calendar year return).

File early enough so that we will have time to act on your application before your return's regular or extended due date.

Where to File.—File the original and one copy of Form 2688 with the Internal Revenue Service Center where you are required to file your return.

Penalties.—You may be charged one or both of the following penalties.

Late Payment Penalty.—Form 2688 does not extend the time to pay income or gift tax. A penalty of ½ of 1% of any tax (other than estimated tax) not paid by the due date is charged for each month, or part of a month, that the tax remains unpaid, unless you can show reasonable cause for not paying on time. The penalty is limited to 25%.

Late Filing Penalty.—A penalty is charged if your return is filed after the due date (including extensions) unless you can show reasonable cause for filing late. The penalty is 5% of the tax not paid by the **regular** due date for each month, or part of a month, that your return is late. The penalty is limited to 25%. If your return is more than 60 days late, the penalty will not be less than $100 or 100% of the balance of tax on your return, whichever is smaller.

Interest.—Interest is charged on the tax not paid by the regular due date of your return until it is paid. It will be charged even if you have been granted an extension, or if you can show reasonable cause for not paying the tax on time.

How to Fill Out This Form.—At the top, fill in the spaces for your name, address, social security number, and spouse's social security number if you are filing a joint return. If you expect to file a gift tax return **(Form 709** or **Form 709–A)** for 1982 due by April 15, 1983, check the box on the front of this form.

Line 4.—Clearly describe the reasons that will cause your delay in filing your return. We cannot accept incomplete reasons, such as "illness" or "practitioner too busy," without adequate explanations. If it is clear that an application was made for no important reason, but only to gain time, both the application and the 10-day grace period will be denied.

If, because of undue hardship, you use this form to ask for an extension of time beyond the regular due date of your return, clearly explain your reasons and attach all supporting information to the form.

How to Claim Credit for Payment Made with This Form.—If you make payment with Form 2688, include the amount of tax paid on line 63, Form 1040.

Form **3468**
Department of the Treasury
Internal Revenue Service (X)

Computation of Investment Credit

▶ Attach to your tax return.
▶ Schedule B (Business Energy Investment Credit) on back.

OMB No. 1545-0155
1982
27

Name(s) as shown on return

Identifying number

PART I.—Elections

A The corporation elects the basic or basic and matching employee plan percentage under section 48(n)(1) ☐

B I elect to increase my qualified investment to 100% for certain commuter highway vehicles under section 46(c)(6) ☐

C I elect to increase my qualified investment by all qualified progress expenditures made this and all later tax years ☐

Enter total qualified progress expenditures included in column (4), Part II ▶

D I claim full credit on certain ships under section 46(g)(3) (See **Instruction B** for details.) ☐

PART II.—Qualified Investment

1 Recovery Property		Line	(1) Class of Property	(2) Unadjusted Basis	(3) Applicable Percentage	(4) Qualified Investment (Column 2 × column 3)
Regular Percentage	New Property	(a)	3-year		60	
		(b)	Other		100	
	Used Property	(c)	3-year		60	
		(d)	Other		100	
§48(q) Election to Reduce Credit (instead of adjusting basis) FY 1982–83 filers only (see instr.)	New Property	(e)	3-year		40	
		(f)	Other		80	
	Used Property	(g)	3-year		40	
		(h)	Other		80	

2 Nonrecovery property—Enter total qualified investment (See instructions for line 2)	2	
3 New commuter highway vehicle—Enter total qualified investment (See **Instruction D(2)**)	3	
4 Used commuter highway vehicle—Enter total qualified investment (See **Instruction D(2)**)	4	
5 **Total qualified investment in 10% property**—Add lines 1(a) through 1(h), 2, 3, and 4 (See instructions for special limits)	5	
6 Qualified rehabilitation expenditures—Enter total qualified investment for:		
a 30-year-old buildings	6a	
b 40-year-old buildings	6b	
c Certified historic structures (Enter the Dept. of Interior assigned project number ......)	6c	
7 Corporations checking election box A above—add lines 5, 6a, 6b, and 6c . | 7 |	▨	▨

PART III.—Tentative Regular Investment Credit

8 10% of line 5	8	
9 15% of line 6a	9	
10 20% of line 6b	10	
11 25% of line 6c	11	
12 Corporations checking election box A (See **Instruction D(1)**)—		
a Basic 1% credit—Enter 1% of line 7 (1982–83 fiscal-year filers, see instructions for line 12)	12a	
b Matching credit (not more than 0.5%)—Allowable percentage times adjusted line 7 (attach schedule)	12b	
13 Credit from cooperative—Enter regular investment credit from cooperatives	13	
14 Current year regular investment credit—Add lines 8 through 13	14	
15 Carryover of unused credits	15	
16 Carryback of unused credits	16	
17 Tentative regular investment credit—Add lines 14, 15, and 16	17	

PART IV.—Tax Liability Limitations

18 a Individuals—From Form 1040, enter tax from line 38, page 2, plus any additional taxes from Form 4970 b Estates and trusts—From Form 1041, enter tax from line 26a, plus any section 644 tax on trusts c Corporations (1120 filers)—From Form 1120, Schedule J, enter tax from line 3 d Other organizations—Enter tax before credits from return	18	
19 a Individuals—From Form 1040, enter credits from lines 41 and 42 of page 2 b Estates and trusts—From Form 1041, enter any foreign tax credit from line 27a c Corporations (1120 filers)—From Form 1120, Schedule J, enter any foreign tax credit from line 4(a), plus any possessions tax credit from line 4(f) d Other organizations—Enter any foreign or possessions tax credit	19	
20 Income tax liability as adjusted (subtract line 19 from line 18)	20	
21 a Enter smaller of line 20 or $25,000. See instruction for line 21	21a	
b If line 20 is more than $25,000—Enter 90% of the excess	21b	
22 Regular investment credit limitation—Add lines 21a and 21b	22	
23 Allowed regular investment credit—Enter the smaller of line 17 or line 22	23	
24 Business energy investment credit limitation—Subtract line 23 from line 20	24	
25 Business energy investment credit—From line 14 of Schedule B (Form 3468)	25	
26 Allowed business energy investment credit—Enter smaller of line 24 or line 25	26	
27 Total allowed regular and business energy investment credit—Add lines 23 and 26. Enter here and on Form 1040, line 43; Schedule J (Form 1120), line 4(b), page 3; or the proper line on other returns	27	

For Paperwork Reduction Act Notice, see separate instructions.

Schedule B Business Energy Investment Credit

1 Enter on lines 1(a) through 1(e) your qualified investment in business energy property that is the kind listed in the instructions for line 1, column (3).

(1) Type of Property	Line	(2) Class of property or life years	(3) Code	(4) Unadjusted basis/ Basis	(5) Applicable Percentage	(6) Qualified investment (Column 4 × column 5)
Recovery	(a)	3-year			60	
	(b)	Other			100	
Nonrecovery	(c)	3 or more but less than 5			33⅓	
	(d)	5 or more but less than 7			66⅔	
	(e)	7 or more			100	

2 Total 10% energy investment property—Add lines 1(a) through 1(e), column (6) . . | 2 |

3 Enter on lines 3(a) through 3(e) the basis in qualified hydroelectric generating property. Enter nameplate capacity of the property (see instructions for line 3) ▶

(1) Type of Property	Line	(2) Class of property or life years	(3) Code	(4) Unadjusted basis/ Basis	(5) Applicable Percentage	(6) Qualified investment (Column 4 × column 5)
Recovery	(a)	3-year	▨		60	
	(b)	Other	▨		100	
Nonrecovery	(c)	3 or more but less than 5	▨		33⅓	
	(d)	5 or more but less than 7	▨		66⅔	
	(e)	7 or more	▨		100	

4 Total 11% energy investment property—Add lines 3(a) through 3(e), column (6) . | 4 |

5 Enter on lines 5(a) through 5(e) the basis in energy property that is solar equipment, wind equipment, ocean thermal equipment, or geothermal equipment. (See instructions for line 5, column (3).)

(1) Type of Property	Line	(2) Class of property or life years	(3) Code	(4) Unadjusted basis/ Basis	(5) Applicable Percentage	(6) Qualified investment (Column 4 × column 5)
Recovery	(a)	3-year			60	
	(b)	Other			100	
Nonrecovery	(c)	3 or more but less than 5			33⅓	
	(d)	5 or more but less than 7			66⅔	
	(e)	7 or more			100	

6 Total 15% energy investment property—Add lines 5(a) through 5(e), column (6) . .	6	
7 Enter 10% of line 2	7	
8 Enter 11% of line 4	8	
9 Enter 15% of line 6	9	
10 Cooperative credit—Enter business energy investment credit from cooperatives . . .	10	
11 Current year business energy investment credit—Add lines 7 through 10	11	
12 Carryover of unused credit(s)	12	
13 Carryback of unused credit(s)	13	
14 Tentative business energy investment credit—Add lines 11 through 13. Enter here and on line 25 of Form 3468	14	

Instructions for Schedule B (Form 3468)

Energy property must meet the same requirements as regular investment credit property, except that the provisions of sections 48(a)(1) and 48(a)(3) do not apply. See Instructions for Form 3468 for definitions and rules regarding regular investment credit property.

Energy property must be acquired new. See sections 46(a)(2)(C) and 48(l)(1) through (17) for details.

See section 48(l)(17) for special rules on public utility property, and section 48 (l)(11) (as amended by the Crude Oil Windfall Profit Tax Act of 1980) for special rules on property financed by Industrial Development Bonds.

Specific Instructions

One Credit Only.—If property qualifies as more than one kind of energy property, you may take only one credit for the property.

Lines 1, 3, and 5—Type of Property.—For definition of recovery and nonrecovery property, see the separate Instructions for Form 3468.

Line 1—Column (3).—Use the code letters from the following list to indicate the kind of property for which you are claiming a credit. If you enter more than one kind of property on a line, enter the code letter for each kind of property in column (3) and the code letter and dollar amount of each kind of property in the right hand margin.

The code letters are:

a. Alternative energy property, including biomass property
b. Specially defined energy property that reduces the energy consumed in an existing process, installed in connection with an existing industrial or commercial facility (see regulations section 1.48–9(f)).
c. Recycling equipment
d. Shale oil equipment
e. Equipment to produce natural gas from geopressured brine
f. Cogeneration equipment installed in an existing facility, but only if the cogeneration energy capacity of the facility is expanded. See section 48(l)(14).
g. Qualified intercity buses (see section 48(l)(16)(C) for the limitation on qualified investment for intercity buses based on the increase in operating seating capacity).

Line 3.—Figure your qualified investment in hydroelectric generating property. If the installed capacity is more than 25 megawatts, the 11% energy credit is allowed for only part of the qualified investment. See section 48(l)(13)(C).

In the space provided in line 3, enter the megawatts capacity of the generator as shown on the nameplate of the generator.

Line 5—Column (3).—Use the code letters from the following list to indicate the kind of property for which you are claiming a credit. Be sure to put the code or codes on the line for the correct recovery period or life years as explained in the instruction for line 1, column (3).

h. Solar equipment (but not passive solar equipment)
i. Wind equipment
j. Ocean thermal equipment
k. Geothermal equipment

See sections 48(l)(4) and 48(l)(3)(A)(viii) and (ix) for definitions and special rules that apply to these kinds of property.

1982 Department of the Treasury
Internal Revenue Service

Instructions for Form 3468

Computation of Investment Credit

(References are to the Internal Revenue Code)

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and so that we can figure and collect the correct amount of tax. You are required to give us this information.

General Instructions

A. Purpose.—Use Form 3468 if you are an individual, estate, trust, or corporation claiming a regular or business energy investment credit or making certain elections. An exempt organization may also claim the credit if the property is used mainly in an unrelated trade or business whose income is taxed under section 511.

A partnership or subchapter S corporation completes only the Part I elections; column (2) of line 1 and the line 2 worksheet; and columns (3) and (4) for lines 1, 3, and 5 of Schedule B, to figure the basis or cost of property to pass through to their individual partners or shareholders. Attach the form to the return to show the total cost or basis that is passed through.

This credit does not apply to a Domestic International Sales Corporation (DISC), and is not divided among DISC shareholders.

For detailed information on investment credit, see **Publication 572,** Investment Credit, and the regulations under sections 46 and 48.

If you are a partner, beneficiary, shareholder in a subchapter S corporation, or lessee, use Form 3468 to figure the credit based on your share of the investment by the partnership, estate, trust, subchapter S corporation, or lessor.

B. How to Figure the Credit.—For recovery property, the class of property determines the percentage qualifying for investment credit. Even if you elect an alternate recovery period under section 168(b) of 5 or 12 years for 3-year property, the property is still treated as 3-year property, and the lower percentage applies.

For nonrecovery property the useful life of the property for investment credit must be the same as the useful life for depreciation or amortization.

See section 48(k) for special rules on figuring investment credit for movie and television films or tapes.

See section 46(e) for limitations on the investment credit for mutual savings institutions, regulated investment companies, and real estate investment trusts.

Generally, you may only take an investment credit of half of the regular investment credit for certain vessels. See sections 46(g)(1) through (6) for more information. If you claim the full credit, check box D in Part I of Form 3468.

C. Regular Investment Credit Property.—Generally, you may take the investment credit the first year you place qualified property in service, make qualified progress expenditures, or acquire an amortizable basis in qualified forestation or reforestation expenditures.

The property must be used in a trade or business and be either recovery property or other depreciable property with a life of 3 years or more. Enter only the business part of the investment in property that is for both business and personal use.

Examples of investment credit property are listed below. For more details see **Publication 572.**

Generally, investment credit property is:

(1) Tangible personal property as defined in section 48(a)(1).

(2) Elevators and escalators.

(3) Other tangible property, including certain real property, used as an integral part of manufacturing, production, or extraction, or used as a research facility or bulk storage facility for fungible commodities for these activities.

(4) Livestock other than horses as long as you do not sell or dispose of substantially identical livestock (not subject to recapture tax) during the 1-year period beginning 6 months before the date you got the livestock. Reduce the cost of the livestock you got by the amount you received on the disposition of the substantially identical livestock.

(5) Certain single-purpose agricultural or horticultural structures defined in section 48(p).

(6) Rehabilitation expenditures for qualified 30-year buildings, 40-year buildings, and certified historic structures. See sections 46(a)(2)(F) and 48(g) for details.

(7) Forestation and reforestation expenditures that are amortizable under section 194. See section 48(a)(1)(F) for more information.

(8) Petroleum storage facilities. See section 48(m) for transitional rules.

Exceptions.—The regular investment credit generally does not apply to property that is:

(1) Used mainly outside the U.S.

(2) Used by a tax-exempt organization (other than a section 521 farmers' cooperative) unless the property is used mainly in an unrelated trade or business.

(3) Used by governmental units.

(4) Used for lodging or for furnishing the lodging (see section 48(a)(3) for exceptions, i.e. hotel or motel furnishings).

(5) Amortized or depreciated under sections 184, 167(k), 191, and 188.

(6) Acquired or constructed with "excluded cost-sharing payments" from grants made after September 30, 1979, under any program listed in section 126(a) or by grants under the Energy Security Act.

(7) Expensed under section 179.

D. Elections.—There are certain elections you may make that affect the amount of investment credit you can claim. Some of these elections are made by checking the boxes in Part I of Form 3468. Others are made by attaching a statement to Form 3468.

(1) Employee Plan Percentages.—A corporation may elect an additional credit for a contribution of stock or cash to a tax credit employee stock ownership plan. This required contribution must not exceed 1% of the qualified investment (line 7) made before January 1, 1983, minus any part of the additional credit carried over to a later year. Make the election by checking box A in Part I of Form 3468.

For contributions made after 1982, see Form 8007, Credit for Employee Stock Ownership Plan.

(2) Commuter Highway Vehicle.—Employers may elect under section 46(c)(6) to claim the full investment credit for commuter highway vehicles with a useful life of 3 years or more, or which is recovery property. Make this election by checking box B in Part I of Form 3468. See section 46(c)(6) for the definition of commuter highway vehicle and other details.

(3) Qualified Progress Expenditures.—You may elect under section 46(d) to increase your qualified investment for a year by qualified progress expenditures. Make this election by checking box C in Part I of Form 3468. The election applies to all progress expenditure property for the tax year it is made and all later tax years. On the line between blocks C and D, Part I, enter your 1982 qualified investment (column (4) of Part II) for progress expenditures for which you made an election in any tax year.

(4) Election for Leased Property.—If you lease property to someone else, you may elect to treat all or part of your investment in new property as if it were made by the person who is leasing it from you. See section 48(d) and related regulations for rules on making this election and special rules on leased property and the section 48(q) basis adjustment. For the limitation on the availability of the credit to certain owners of property for lease, see section 46(e)(3).

E. At Risk Limitation for Individuals, Subchapter S Corporations, and Personal Holding Companies.—The allowable basis or cost of property for investment credit purposes is limited to the amount a taxpayer is at risk for the property at the close of the taxpayer's tax year.

A person is generally considered at risk for property to the extent of the qualified loans and cash and the adjusted basis of property contributed for acquisition or construction of property. See **Publication 572** and sections 46(c)(8) and 465 for definitions, exceptions, and other details.

Specific Instructions

Lines 1(a)–1(h). Recovery Property.—Enter on the proper line the unadjusted basis of new or used recovery property. Do not include any amount that was expensed under section 179(a). Recovery property is tangible personal property used in a trade or business or held for the production of income, and depreciated under the Accelerated Cost Recovery System (ACRS). See sections 46(c)(7) and 168.

1982–83 Fiscal-Year Filers.—For property placed in service *after December 31, 1982*, new section 48(q) says you must reduce the depreciable basis of the property by one-half of the investment credit taken. Instead of adjusting the basis of the property, you may make an irrevocable election to take a reduced credit. You make this election by listing the property on lines 1(e)–1(h) instead of on lines 1(a)–1(d). See **Publication 572** for more details.

Line 2. Nonrecovery Property.—Compute your qualified investment using the worksheet format below. Nonrecovery property includes:

- property placed in service before 1981;
- property you elect to depreciate using a method not expressed in terms of years;
- property you elect to amortize (e.g., leasehold improvements);
- property transferred or acquired merely to bring the property under ACRS;
- property acquired in certain nonrecognition transactions;
- certain property used outside the U.S.;
- public utility property if you do not use the normalization method of accounting.

See section 168(e) for further details.

Enter the amortizable basis in forestation and reforestation expenditures on line 2(c) of the worksheet. See section 48(a)(1)(F). See section 46(c)(5) for rules for certain pollution control facilities.

Lines 1(a), 1(b), 1(e), and 1(f) of Form 3468; lines 2(a), 2(b), and 2(c) of worksheet. Qualified Progress Expenditures.—Enter on the proper line the amount of qualified progress expenditures made in the tax year.

Do not take any qualified progress expenditures for the year in which the progress expenditure property is placed in service or for the year for which recapture is required for the property. The investment credit allowed for the year the property is placed in service is based on the entire qualified investment in the property reduced by the progress expenditures that were included as qualified investment in earlier years.

See section 46(d) for more information.

Lines 1(c), 1(d), 1(g), and 1(h) of Form 3468; lines 2(d), 2(e), and 2(f) of worksheet. Used Property Dollar Limitation.—In general, you may not take into account more than $125,000 of the cost of used property in any one year. The cost of used property does not include the basis of any property traded in unless the trade-in caused the recapture of all or part of an investment credit allowed earlier, or a reduction in an investment credit carryback or carryover. Determine the $125,000 amount before applying the percentages based on the class of property or useful life. On the proper line, enter the cost (subject to the dollar limitation) of used property placed in service during the year. Property you inherited, received as a gift, or acquired from certain related persons does not qualify for the investment credit.

If a husband and wife file separate returns, each may claim up to $62,500. If one of them has no qualifying used property, the other may claim up to $125,000.

The $125,000 limitation applies to a partnership, subchapter S corporation, estate, or trust. The $125,000 must be divided among the estate or trust and its beneficiaries based on the income of the estate or trust allocable to each. The $125,000 limitation also applies to each partner, shareholder, and beneficiary. Controlled corporate groups must divide the limitation among all component members. See section 48(c) and related regulations.

Lines 3 and 4. Commuter Highway Vehicle.—Enter 100% of basis in new vehicles on line 3, and 100% of cost (subject to the overall limitation) of used vehicles on line 4.

1982–83 Fiscal-year filers.—If you make the irrevocable election to use the lower percentage in section 48(q)(4) instead of reducing the basis of the property, enter 80% (instead of 100%) of the cost or basis on these lines. If you elect to take a reduced credit on *all* the vehicles on line 3 or 4, write "48(q)(4) election property" in the margin. If your election covers only certain vehicles, attach a schedule showing the breakdown.

Lines 6a, 6b, and 6c. Rehabilitation Expenditures.—Enter on the proper line the qualified investment in qualified rehabilitation expenditures for the tax year. The applicable percentage for qualified rehabilitation expenditures is 100%. The additions or improvements must have a recovery period of at least 15 years.

The increase in basis of the qualified rehabilitated building that would result from the expenditures must be decreased by 100% of the allowed credit, and, after Dec. 31, 1982, 50% for certified historic structures. The increase in basis must be recovered by a straight line depreciation method over a recovery period of at least 15 years. See section 212(e)(2) of the Economic Recovery Tax Act of 1981 for transitional rules and code section 48(g) for other details. The qualified investment for rehabilitation expenditures that qualify under pre-1982 rules, but not under post-1981 rules, is figured separately and entered in the total for line 5. (Identify this amount in the margin.)

If you claim a credit for a certified historic structure on line 6(c), you must enter the project number assigned by the Department of Interior. You must also attach a copy of the final certification letter issued by the Department of Interior to the first return you file after receiving the certification. If you have not yet received the final certification, attach a copy of the first page of the application you submitted (U.S. Department of the Interior Form FHR–8–253a, Historic Preservation Certification Application—Part 2).

Lines 5, 6, and 21a Limitations.—Mutual savings institutions, regulated investment companies, and real estate investment trusts are subject to special limitations for the amounts to be entered on lines 5, 6 a–c, and line 21a. See regulations section 1.46–4.

Line 12a.—You may take the additional 1% credit if you qualify and make the election. See General Instruction D(1) and section 48(n).

Line 12b.—The matching employee plan credit on line 12b is limited to a maximum of 0.5% times the qualified investment for property acquired, constructed, or erected after 1976 and before January 1, 1983. See section 46(a)(2)(E).

Line 13. Credit from Cooperative.—Section 1381(a) cooperative organizations may claim the regular and energy investment credits. If the cooperative cannot use any of the credit because of the tax liability limitation that applies, the unused credit from tax years ending after October 31, 1978, must be allocated to the patrons of the cooperative. The recapture provisions of section 47 apply as if the cooperative had kept the credit and not allocated it.

Patrons should enter their regular investment credit from a cooperative on line 13.

Lines 15 and 16. Carryover and Carryback of Unused Credits.—If you cannot use part of a regular or energy investment credit earned in any tax year ending after Dec. 31, 1973, because of tax liability limitations or the operation of the alternative minimum tax, you may carry it back 3 years, then forward 15 years.

If the basis of property was reduced under section 48(q), new section 196 permits the writeoff of one-half of the unused credit after the 15-year carryover period (or earlier if the taxpayer dies or goes out of business). See **Publication 572** for more details.

If you are subject to the alternative minimum tax, you may be able to apply your investment credit from the active conduct of a trade or business against that tax. See Form 6251, Alternative Minimum Tax Computation, for more information.

Line 21. Limitation.—If the tax liability (line 20) is $25,000 or less, the investment credit may not be more than the amount of the tax liability.

If the tax liability is more than $25,000, the credit may not be more than $25,000 plus 90% of the excess.

If you and your spouse file separate returns, each must use $12,500 instead of $25,000. However, if only one has any qualifying investment, that one may use the entire $25,000.

Controlled corporate groups (see section 46(a)(6)) must divide the $25,000 among all component members.

An estate or trust must allocate the $25,000 among itself and its beneficiaries in the same ratio as the qualified investment was allocated.

Line 24. Business Energy Investment Credit Limitation.—The energy credit is limited to the tax on line 20 minus the regular investment credit allowed on line 23. See the instructions for Schedule B on page 2 of Form 3468.

Line 2 Nonrecovery Property Worksheet	Line	(1) Life years	(2) Basis or cost	(3) Applicable percentage	(4) Qualified Investment (Column 2 × column 3)
New	(a)	3 or more but less than 5		33⅓	
	(b)	5 or more but less than 7		66⅔	
	(c)	7 or more		100	
Used	(d)	3 or more but less than 5		33⅓	
	(e)	5 or more but less than 7		66⅔	
	(f)	7 or more		100	
Total—Add lines (a) through (f) and enter on line 2 of Form 3468				2	

Form **3903**
Department of the Treasury
Internal Revenue Service (X)

Moving Expense Adjustment

▶ Attach to Form 1040.

OMB No. 1545-0082
1982
62

Name(s) as shown on Form 1040

Your social security number

a What is the distance from your old residence to your new work place? .... miles

b What is the distance from your old residence to your old work place? .... miles

c If the distance in a above is 35 or more miles farther than the the distance in b above, complete the rest of this form. If the distance is less than 35 miles, you cannot take a deduction for moving expenses. This rule does not apply to members of the armed forces.

1 Transportation expenses in moving household goods and personal effects **1**

2 Travel, meals, and lodging expenses in moving from old to new residence **2**

3 Pre-move travel, meals, and lodging expenses in looking for a new residence after getting your job **3**

4 Temporary living expenses in new location or area during any 30 days in a row after getting your job **4**

5 Total. (Add lines 3 and 4.) **5**

6 Enter the smaller of line 5 or $1,500 ($750 if married, filing a separate return, and you lived with your spouse who also started work during the tax year) . . **6**

7 Expenses of: (Check one.)
a ☐ selling or exchanging your old residence; or
b ☐ if renting, settling an unexpired lease on your old residence **7**

8 Expenses of: (Check one.)
a ☐ buying a new residence; or
b ☐ if renting, getting a lease on a new residence **8**

9 Total. (Add lines 6, 7, and 8.) **9**

10 Enter the smaller of line 9 or $3,000 ($1,500 if married, filing a separate return, and you lived with your spouse who also started work during the tax year) **10**

Note: *Use any amount on line 7a not deducted because of the $3,000 (or $1,500) limit to decrease the gain on the sale of your residence. Use any amount on line 8a not deducted because of the limit to increase the basis of your new residence. See "No Double Benefit" in instructions.*

11 Total moving expenses. (Add lines 1, 2, and 10.) **11**

12 Reimbursements and allowances received for this move. (Do not enter reimbursements and allowances included on your Form W-2.) **12**

13 Excess moving expenses. If line 12 is less than line 11, enter the difference here and on Form 1040, line 23 . . . . **13**

14 Excess moving reimbursement. If line 12 is more than line 11, enter the difference here and on Form 1040, line 21. Next to the amount write "Excess moving reimbursement." **14**

General Instructions

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Who May Deduct Moving Expenses.—If you moved your residence because of a change in the location of your job, you may be able to deduct your moving expenses. You may qualify for a deduction whether you are self-employed or an employee. But you must meet certain tests of distance and time, explained below. If you need more information, please get **Publication 521, Moving Expenses.**

Note: *If you are a U.S. citizen or resident who moved to a new principal work place* **outside** *the United States or its possessions, get* **Form 3903F**, *Foreign Moving Expense Adjustment.*

Distance Test.—Your new work place must be at least 35 miles farther from your old residence than your old work place was. For example, if your old work place was 3 miles from your old residence, your new work place must be at least 38 miles from that residence. If you did not have an old work place, your new work place must be at least 35 miles from your old residence. (The distance between two points is the shortest of the more commonly traveled routes between the points.)

Time Test.—If you are an employee, you must work full time for at least 39 weeks during the 12 months right after you move. If you are self-employed, you must work for at least 39 weeks during the first 12 months and a total of 78 weeks during the 24 months right after you move.

You may deduct your moving expenses for 1982 even if you have not met the "time" test before your 1982 return is due. You may do this if you expect to meet the 39-week test by the end of 1983 or the 78-week test by the end of 1984. If you have not met the test by then, you will have to do one of the following:

- Amend your 1982 tax return on which you deducted moving expenses. To do this, use **Form 1040X**, Amended U.S. Individual Income Tax Return.
- Report as income on your tax return for the year you cannot meet the test the amount you deducted on your 1982 return.

(Continued on back)

Form **3903** (1982)

If you do not deduct your moving expenses on your 1982 return, and you later meet the "time" test, you may file an amended return for 1982, taking the deduction. To do this, use Form 1040X.

Exceptions to the Distance and Time Tests.—You do not have to meet the "time" test in case of death or if your job ends because of disability, transfer for your employer's benefit, or layoff or other discharge besides willful misconduct.

You do not have to meet the "time" test if you meet the requirements, explained below, for retired people or survivors living outside the United States.

If you are in the armed forces, you do not have to meet the "distance and time" tests if the move is due to a permanent change of station. A permanent change of station includes a move in connection with and within 1 year of retirement or other termination of active duty. In figuring your moving expenses, do not deduct any moving expenses for moving services that were provided by the military or that were reimbursed to you and that you did not include in income. However, you may deduct your unreimbursed moving expenses, subject to the dollar limits. If you and your spouse or dependents are moved to or from different locations, treat the moves as a single move.

Qualified Retired People or Survivors Living Outside the United States.—If the requirements below are met, retired people or survivors who move to a U.S. residence are treated as if they moved to a new work place located in the United States. You are subject to the dollar limits and "distance" test explained on this form. Use this form instead of Form 3903F to claim your moving expenses.

Retired People.—You may deduct moving expenses for a move to a new residence in the United States when you actually retire, if both your old principal work place and your old residence were outside the United States.

Survivors.—You may deduct moving expenses for a move to a residence in the United States if you are the spouse or dependent of a person whose principal work place at the time of death was outside the United States. In addition, the expenses must be: (1) for a move that begins within 6 months after the decedent's death; and (2) must be from a former residence outside the United States that you lived in with the decedent at the time of death.

Moving Expenses in General.—You may deduct most, but not all, of the reasonable expenses you incur in moving your family and dependent household members. You may not include moving expenses for employees such as a servant, governess, or nurse.

Examples of expenses you CAN deduct are:

- Travel, meal, and lodging expenses during the move to the new residence.
- Temporary living expenses in the new location.
- Pre-move travel expenses.

Examples of expenses you CANNOT deduct are:

- Loss on the sale of your residence.
- Mortgage penalties.
- Cost of refitting carpets and draperies.
- Losses on quitting club memberships.

The line-by-line instructions below explain how to figure your moving expense deduction.

Line-by-Line Instructions

To see whether you meet the "distance" test, fill in the number of miles for questions **a** and **b** at the top of the form. If you meet the test in **c**, continue with the items that follow.

We have provided specific instructions for most of the lines on the form. Those lines that do not appear in these instructions are self-explanatory.

Line 1.—Enter the actual cost of packing, crating, moving, storing in transit, and insuring your household goods and personal effects.

Line 2.—Enter the costs of travel from your old residence to your new residence. These include transportation, meals, and lodging on the way, including costs for the day you arrive. You may only include expenses for one trip. However, all the members of your household do not have to travel together or at the same time. If you use your own car, you may figure the expenses in either of two ways:

- Actual out-of-pocket expenses for gas and oil (keep records to verify the amounts); or
- At the rate of 9 cents a mile (keep records to verify your mileage).

You may add parking fees and tolls to the amount claimed under either method.

Line 3.—Include the costs of travel before you move in order to look for a new residence. You may deduct the costs only if:

- You began the househunting trip after you got the job; and
- You returned to your old residence after looking for a new one; and
- You traveled to the general location of the new work place primarily to look for a new residence.

There is no limit on the number of househunting trips made by you and members of your household that may be included on this line. Your househunting does not have to be successful to qualify for this deduction. If you used your own car, figure transportation costs the same way as in the instructions for line 2. If you are self-employed, you can deduct these househunting costs only if you had already made substantial arrangements to begin work in the new location.

Line 4.—Include the costs of meals and lodging while occupying temporary quarters in the area of your new work place. You may include these costs for any period of 30 days in a row after you get the job. If you are self-employed, you can count these temporary living expenses only if you had already made substantial arrangements to begin work in the new location.

Lines 7 and 8.—You may include most of the costs to sell or buy a residence or to settle or get a lease. Examples of expenses you CAN include are:

- Sales commissions.
- Advertising costs.
- Attorney's fees.
- Title and escrow fees.
- State transfer taxes.
- Costs to settle an unexpired lease or to get a new lease.

Examples of expenses you CANNOT include are:

- Costs to improve the residence to help it sell.
- Charges for payment or prepayment of interest.
- Payments or prepayments of rent.

Check the appropriate box, **(a)** or **(b)**, for line 7 and for line 8 when you enter the amounts for these two lines.

Line 12.—Include all reimbursements and allowances for moving expenses in income. In general, Form W-2 includes such reimbursements and allowances. However, check with your employer if you are in doubt. Your employer must give you a statement showing a detailed breakdown of reimbursements or payments of moving expenses. **Form 4782**, Employee Moving Expense Information, may be used for this purpose. Use line 12 to report reimbursements and allowances that are not included elsewhere on Form 1040 or related schedules.

No Double Benefit.—You cannot take double benefits. For example, you cannot use the moving expense on line 7 that is part of your moving expense deduction to lower the amount of gain on the sale of your old residence. You also cannot use the moving expense on line 8 that is part of your moving expense deduction to add to the cost of your new residence. (Use **Form 2119**, Sale or Exchange of Principal Residence, to figure the gain, if any, you must report on the old residence and the adjusted cost of the new one.)

Dollar Limits.—Lines 1 and 2 (costs of moving household goods and travel expenses to your new residence) are not limited to any amount. All the other expenses (lines 3, 4, 7, and 8) together cannot be more than $3,000. In addition, line 3 (househunting trip expenses) and line 4 (temporary living expenses) together cannot be more than $1,500. These are overall per-move limits.

There are some special cases:

- If both you and your spouse began work at new work places and shared the same new residence at the end of 1982, you must treat this as one move rather than two. If you file separate returns, each of you is limited to $1,500 for lines 3, 4, 7, and 8. Househunting trip expenses and temporary living expenses (lines 3 and 4) are limited to $750 for each of you.
- If both you and your spouse began work at new work places but you moved to separate new residences, this is treated as two separate moves. If you file a joint return, lines 3, 4, 7, and 8 are limited to $6,000; and lines 3 and 4 are limited to $3,000. If you file separate returns, each of you is limited to $3,000 for lines 3, 4, 7, and 8; and to $1,500 for lines 3 and 4.

Form **4136**
Department of the Treasury
Internal Revenue Service (X)

Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil

▶ Attach this form to your income tax return.

OMB No. 1545-0162
1982
28

Name (as shown on your income tax return)

Social security or employer identification number

Type of business use	A. Number of Gallons Used	B. Rate of Tax	C. Multiply Column A by Column B
	Gasoline, Diesel Fuel and Special Motor Fuels		
1 Nonhighway:			
a Farm (for farming purposes)		.02 } *	$
		.04 }	
b Commercial fishing vessel (See instructions C.2 and D.2.(b)):			
(i) Gasoline		.02	
(ii) Diesel fuel or special fuels		.02 } *	
		.04 }	
c Other (specify)		.02 } *	
		.04 }	
2 Intercity, local, and school buses (See instruction C.4.)		.02 } *	
		.04 }	
3 Gasoline/alcohol mixture		.04	
4 Qualified taxicab		.04	
5 Total (add lines 1, 2, 3, and 4) ▶			$
(Specify type of business in which oil used—see instruction E)		Lubricating Oil	
6		.06	$
		Aviation Fuel	
7 Farm (for farming purposes) (Aerial applicators see instruction C.1.)		.04 }	$
		.12 } *	
		.14 }	
8 Aviation (Applies only to commercial and certain helicopter uses as defined in instruction C.7.)		.04 }	$
		.12 } *	
		.14 }	
9 Total income tax credit claimed (add lines 5, 6, 7, and 8) ▶			$

*Use rate paid or allowable rate if lesser

Instructions

(Section references are to the Internal Revenue Code unless otherwise specified)

> Taxpayers who previously filed Form 4136–T to claim a credit for Federal tax on gasoline, diesel fuel, and special fuels used in qualified taxicabs should now file Form 4136 to claim the credit instead. Form 4136–T has been obsoleted.

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Refund Instead of Credit.—If you paid excise tax of at least $1,000 ($200 for gasoline/alcohol mixture and $50 for gasoline, diesel fuel, or special fuels used in a qualified taxicab) on any fuel category or lubricating oil in any one of the first three quarters of the tax year, you may file for a refund of the tax instead of claiming a credit for it on Form 4136. To claim the refund, file Form 843, Claim, before the end of the quarter following the one for which you are claiming the refund. Show separate computations for a claim on gasoline, special fuels, and lubricating oils. You may use Form 4136 as a worksheet to show your computations and attach it to the Form 843 you file.

You must claim a credit, rather than a refund, for any tax paid during the fourth quarter, and for any tax under $1,000 ($200 for gasoline/alcohol mixture and $50 for gasoline, diesel fuel, or special fuels used in a qualified taxicab) for any of the first three quarters. You must also claim the credit rather than a refund, for tax paid on gasoline or special fuels used on a farm for farming purposes.

Do not claim as a credit on Form 4136 any amount that you previously claimed as a refund.

A. Purpose of Form 4136.—You must file this form if you claim credit for Federal excise tax on certain kinds of fuel. These include gasoline, special fuels, and lubricating oil as defined in instructions C, D, and E.

An individual, estate, trust, or corporation may file this form, but a partnership may not. However, when a partnership files Form 1065, U.S. Partnership Return of Income, it must include a statement showing:

- How many gallons of the fuels are allocated to each partner.
- The types of use, as shown in this form.

B. Year To Include the Credit Resulting from Business Use of Fuel or Oil.—When you claim a credit or refund, you must include it in your gross income to the extent it resulted in a reduction of your income tax. The year in which you include it depends upon your method of accounting.

1. *Cash Method.*—If you use the cash method, include the amount of credit in gross income for the tax year in which you file the tax return that claims the credit. If you file an amended return, or if you file a claim for credit or refund (and claim the credit for the tax), include the refund that results from the credit in your gross income for the tax year you receive it.

2. *Accrual Method.*— If you use the accrual method, figure the amount of the credit or refund due at the close of your tax year. Include it in income, even if you have not filed a claim for refund.

C. What Gasoline To Include.—You may claim credit for Federal excise tax on gasoline for farm uses, commercial fishing vessel uses, business nonhighway uses, intercity, local, or school bus uses, gasoline/alcohol mixture, qualified taxicab use, and commercial aviation use.

1. *Farm Use.*—You may claim a credit for gasoline used for farming on a trade or business farm in the United States. Such farms include the following:

- Stock, dairy, poultry, fur-bearing animal, and truck farms.
- Plantations, ranches, nurseries, ranges, and greenhouses.
- Orchards.

Gasoline is considered used for farming only if the owner, tenant, or operator of the farm uses the gasoline. If gasoline is used for the farming tasks set forth below by anyone else, the owner, tenant, or op-

(Continued on back)

erator is considered the user of the gasoline. There is an exception to this rule. An aerial applicator is considered to have used gasoline for farming when performing the farming tasks under the following conditions:

- The applicator is the ultimate purchaser of the gasoline; and
- The farm owner, tenant, or operator agrees not to be treated as the user and ultimate purchaser of the gasoline.

The following tasks are considered farming:

(a) Cultivating the soil, and raising or harvesting any horticultural or agricultural commodity. This includes raising livestock, bees, poultry, furbearing animals, and wildlife.

(b) Handling, drying, packing, grading, or storing any horticultural or agricultural commodity before manufacture, but only if the owner, tenant, or operator produced more than half of the commodity treated.

(c) Planting, cultivating, or cutting trees, or preparing them for market. This does not include milling the lumber.

(d) Operating, managing, conserving, improving, or maintaining the farm and its tools and equipment.

Gasoline is not considered used by you for farming under the following conditions:

(a) It is used off the farm to transport livestock, feed, crops, or equipment.

(b) It is used in processing, packaging, freezing, or canning operations.

(c) It is used for personal purposes.

(d) It is used on the farm of another person, even though used for farming.

Often a vehicle will be used on the farm both for farming and for nonfarming purposes. In these cases, show the number of gallons of gasoline used for each purpose when claiming credit.

2. *Commercial Fishing Vessel Use.*—You may claim a credit for excise tax paid on gasoline used in a commercial fishing vessel in the amount of 2 cents a gallon. A commercial fishing vessel is one used in the fisheries or whaling business and used:

- Exclusively for catching shrimp and other types of aquatic life for sale commercially as bait, or
- On specific trips exclusively for catching fish to be sold commercially.

3. *Business Nonhighway Uses.*—You may claim a credit of 2 cents a gallon for gasoline used for business nonhighway purposes. Business nonhighway use does not include gasoline used in a motorboat or in a highway vehicle that either:

- Is registered or required to be registered for highway use under the laws of any State, the District of Columbia, or foreign country; or
- Is owned by the United States and is used on the highway.

4. *Intercity, Local, or School Bus Uses.*—If you are the ultimate purchaser of gasoline for a bus that provides transportation (1) to the general public for a fee or (2) to students and school employees, you may claim a credit for the excise tax you paid on gasoline used for this service.

If you provide transportation on intercity and local buses on non-scheduled irregular routes, you may take the credit only if the seating capacity of the bus is at least 20 adults, not including the driver.

5. *Gasoline/alcohol Mixture.*—You may claim a credit for excise tax paid on gasoline mixed with alcohol. The alcohol must have been made from other than petroleum, natural gas, or coal. The mixture must have included at least 10% of 190 proof alcohol and must have been sold or used in your trade or business.

6. *Qualified Taxicab Use.*—The ultimate purchaser may claim a credit for Federal excise tax paid on gasoline, diesel fuel, and special fuels used after December 31, 1978, and before January 1, 1983, in a qualified taxicab providing qualified taxicab service. **Note:** At the time this form went to print, Congress was considering a proposal that would extend the expiration date of December 31, 1982. We will use news media and other means available to provide you with information on any change.

A qualified taxicab is a land vehicle that holds fewer than 10 adults including the driver. For 1978 and later model years, the vehicle model must have a fuel economy rating better than the average fuel economy standard for the model year (18 mpg for 1978 models, 19 mpg for 1979, 20 mpg for 1980, 22 mpg for 1981, 24 mpg for 1982, and 26 mpg for 1983). A taxicab is qualified if the vehicle received or could have received an exemption from the fuel economy standard for the model year. Fuel economy standards do not apply for vehicles acquired before 1979.

Qualified taxicab service means furnishing nonscheduled land transportation for a fixed fee in a qualified taxicab. The person operating the taxicab must be properly licensed as a taxicab driver and must not be prohibited from furnishing ride-sharing.

7. *Commercial Aviation Use.*—You may claim credit for excise tax on gasoline used in commercial aviation and certain helicopter uses.

Commercial aviation is the use of an aircraft in a business of carrying people or property by air for pay. The use of an aircraft may be considered noncommercial aviation if the aircraft:

(a) Has a maximum certificated takeoff weight of 6,000 pounds or less and is not operated on an established line; or

(b) Is owned or leased by a member of an affiliated group and is not available for hire to nonmembers.

Certain helicopter uses are:

(a) Transporting individuals, equipment, or supplies in the exploration for, or the development or removal of, hard minerals, or

(b) The planting, cultivation, cutting, or transportation of, or caring for, trees (including logging operations),

but only if the helicopter does not take off from, or land at, a facility eligible for assistance under the Airport and Airway Development Act of 1970, or otherwise use services provided pursuant to the Airport and Airway Improvement Act of 1982 during such use. The use must have occurred after August 31, 1982.

D. What Special Fuels To Include.—

1. *Definitions of Special Fuels.*—

(a) Diesel Fuel.—This fuel is a liquid that is:

(1) Sold for use in a diesel-powered highway vehicle; or

(2) Used for fuel in such a highway vehicle. (This use is not taxable if there was a taxable sale of the fuel under (1) above.)

(b) Special Motor Fuels.—These fuels include benzol, benzene, naphtha, liquefied petroleum gas, casinghead and natural gasoline and other liquid, except kerosene, gas oil, fuel oil, diesel fuel, or any product taxable under section 4081. Special motor fuels must be:

(1) Sold for use as a fuel in a motor vehicle or motorboat; or

(2) Used for fuel in a motor vehicle or motorboat. (This use is not taxable if there was a taxable sale of the fuel under (1) above.)

2. *Uses of Special Fuels.*—

(a) Farm Use.—You may claim credit for Federal excise tax on fuels as defined in D.1. See instruction C.1. for requirements for "farm use."

(b) Commercial Fishing Vessel Use.—You may claim a credit for Federal excise tax on fuels as defined in D.1. of 2¢ or 4¢, whichever paid, that were used in vessels while employed in the fisheries or whaling business. See instruction C.2.

(c) Intercity, Local, and School Bus Uses.—You may claim credit for Federal excise tax on fuels as defined in D.1. See instruction C.4. for intercity, local, and school bus requirements.

(d) Commercial Aviation and Certain Helicopter Uses.—You may claim a credit for Federal excise tax on fuels as defined in D.1. of 14¢. See instruction C.7. for requirements for commercial aviation and certain helicopter uses.

(e) Nontaxable Uses.—

Diesel and Special Motor Fuel.—These fuels (defined in D.1.) may qualify for a credit in any of the following cases:

- You resold the fuel.
- You used the fuel for a nontaxable purpose.
- You used the fuel for a purpose that was not the one you bought it for. This other purpose must make a lower tax rate apply.

If any of these three conditions exist, claim as credit the figure you get by subtracting (a) the tax that applies to the *actual* use of the fuel, from (b) the tax imposed by section 4041 on the fuel sold to you.

E. What Lubricating Oil To Include.—You may claim an income tax credit for lubricating oil that is used in qualified business use, in a qualified bus, or in a commercial fishing vessel. You may include:

- Oil to lubricate plant machinery.
- Oil to lubricate vehicles such as aircraft, bulldozers, buses, power shovels, and farm tractors.

You may not include:

- Cutting oils.
- Used oil.
- Oil used in a highway motor vehicle, such as a truck, if used for other than business nonhighway use. See instruction C.3.
- Oil sold free of the Federal excise tax on lubricating oil. Such oil includes transformer or insulating oil, some motor fuel additives, crude neat's-foot oil, castor oil, and oils purchased excise-tax-free by use of an exemption certificate.

F. What Fuels Not To Include.—Do not include gasoline lost or destroyed through spillage, accident, or shrinkage. Such gasoline is not considered to be used and therefore does not qualify for credit or refund.

G. Additional Information.—Publication 225, Farmer's Tax Guide, and **Publication 378**, Fuel Tax Credits—Alcohol, Nonhighway Business Equipment, Buses, and Taxicabs, are available from the Internal Revenue Service.

Form **4137**

Department of the Treasury
Internal Revenue Service

Computation of Social Security Tax on Unreported Tip Income

(Under Federal Insurance Contributions Act)

▶ Attach to Form 1040.

OMB No. 1545-0059

1982

64

Name of person who received tip income. Enter name as shown on social security card.

Social security number

Names of employers. (If you need more space, use the back of this form.)

1 Total cash and charge tips **received** in 1982 (**Note:** *Include December 1981 tips reported to your employer from January 1, 1982, through January 10, 1982. Do not include December 1982 tips reported to your employer from January 1, 1983, through January 10, 1983*). See instruction D			1	
2 Total cash and charge tips **reported** to your employer in 1982			2	
3 Balance (subtract line 2 from line 1). Enter here and include in total on Form 1040, line 7 . .			3	
4 Cash and charge tips you received but did not report to your employer because the total was less than $20 in a calendar month			4	
5 Balance (subtract line 4 from line 3)			5	
6 Largest amount of wages (including tips) subject to social security tax .	6	32,400 00	▨	
7 Total FICA Wages shown on Form W–2 or on Railroad Retirement Compensation statement. (Include covered wages you received as an agricultural or household employee)	7		▨	
8 Balance (subtract line 7 from line 6). If line 7 is more than line 6, you do not owe this tax. Do not complete the rest of this form or Schedule U below			8	
9 Unreported tips subject to FICA tax. Enter here and on Schedule U below the amount from line 5 or line 8, whichever is smaller			9	
10 Multiply line 9 by .067. Enter here and on Form 1040, line 55			10	

For Paperwork Reduction Act Notice, see instructions on back.

Form **4137** (1982)

Do Not Detach

SCHEDULE U
(Form 1040)

Department of the Treasury
Internal Revenue Service

U.S. Schedule of Unreported Tip Income

For crediting to your social security record

1982

Important: The amounts reported below are for your social security record. This record is used in figuring any benefits, based on your earnings, payable to you, your dependents, and your survivors. Fill in each item accurately and completely.

Print or type name of person who received tip income. Enter name as shown on social security card.

Social security number

Address (number and street)

Occupation

City or town, State and ZIP code

Unreported tips subject to FICA tax. Enter amount from line 9 above . . . . $

Please do not write in this space

DLN–

Instructions

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

A. Who Must File.—If you received tips of $20 or more in any month and did not report all of those tips to your employer, you must file this form. The form will help you figure the amount of tip income to be reported on your tax return and social security record.

B. Tips You Must Report to an Employer.—You must give your employer a written statement of cash and charge tips if you receive $20 or more in tips during a month. If in any month you work for two or more employers and receive tips while working for each, the $20 test applies separately for the tips you received for your work for each employer and not to the total you receive. You must report these tips to employers by the 10th day of the month after the month you receive them.

C. Certain Tips You Do Not Report on This Form.—Do not report on this form tips received:

- for work covered by the Railroad Retirement Tax Act. (Contact any Railroad Retirement Board office for information on how to get railroad retirement credit for tips not reported to railroad employers.) or
- while working for State or local governments, or
- while working for certain nonprofit organizations not subject to FICA tax.

D. When Tips Are Taxable.—If you report tips to your employer as required by the 10th day of the month after the month you receive them, those tips are considered income to you in the month you report them. For example, tips you receive in December of 1982 that you report to your employer between January 1, 1983, and January 10, 1983, are considered income in 1983 and should be included on your 1983 Form W–2. (Do not include these tips in line 1 of this form.)

Tips you did not report to your employer on time or did not report at all are considered income to you in the month you actually received them. For example, tips you received in December of 1982 that are reported to your employer after January 10, 1983, are considered income in 1982 because you did not report to your employer on time. (Include these tips in line 1 of this form.)

E. Payment of Tax.—Tips you report to your employer are subject to social security or railroad retirement tax and income tax withholding. Your employer collects these taxes from wages (excluding tips) or other funds of yours available to cover them. If your wages are not enough to cover these taxes, you may give your employer the additional amounts needed. Your Form W–2 will include the tips you reported to your employer and the taxes withheld. If there was not enough money to cover the FICA (social security) or railroad retirement tax, your Form W–2 will also show the tax due.

F. Penalty for Not Reporting Tips.—If you do not report tips received to your employer, you may be charged a penalty equal to 50% of the FICA tax due on those tips. Therefore, you should attach a statement to your return explaining why you did not report them.

For further information, please see **Publication 531,** Reporting Income From Tips, and **Publication 505,** Tax Withholding and Estimated Tax, available from most Internal Revenue Service offices.

Form **4562**
(Rev. September 1982)
Department of the Treasury
Internal Revenue Service (X)

Depreciation and Amortization

▶ See separate instructions.
▶ Attach this form to your return.

OMB No. 1545-0172
Expires 8/31/85

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Name(s) as shown on return

Identifying number

Business or activity to which this form relates

Part I Depreciation

Section A Election to expense recovery property (Section 179)

A. Class of property	B. Cost	C. Expense deduction
1 Total (not more than $5,000). Enter here and on line 8 (Partnerships—enter this amount on Schedule K (Form 1065))		

Section B Depreciation of recovery property

A. Class of property	B. Date placed in service	C. Cost or other basis	D. Recovery period	E. Method of figuring depreciation	F. Percentage	G. Deduction for this year
2 Accelerated Cost Recovery System (ACRS) (See instructions):			▨	▨	▨	▨
(a) 3-year property						
(b) 5-year property						
(c) 10-year property						
(d) 15-year public utility property						
(e) 15-year real property—low-income housing						
(f) 15-year real property other than low-income housing						
3 Property subject to section 168(e)(2) election (See instructions):			▨	▨	▨	▨
			▨	▨		
			▨	▨		
			▨	▨		
			▨	▨		
			▨	▨		
			▨	▨		
4 Total column G. Enter here and on line 9						

See Paperwork Reduction Act Notice on page 1 of the separate instructions.

Form **4562** (Rev. 9-82)

Section C Depreciation of nonrecovery property

A. Description of property	B. Date acquired	C. Cost or other basis	D. Depreciation allowed or allowable in earlier years	E. Method of figuring depreciation	F. Life or rate	G. Deduction for this year
5 Class Life Asset Depreciation Range (CLADR) System Depreciation . . . . ▶						
6 Other depreciation (See instructions):			▨	▨	▨	▨

7 Total column G, Section C	
8 Enter amount from Section A, line 1 (Partnerships enter zero)	
9 Enter amount from Section B, line 4	
10 Total—Add lines 7, 8, and 9. Enter here and on the Depreciation line of your return	

Part II Amortization of property

A. Description of property	B. Date acquired	C. Cost or other basis	D. Amortization allowed or allowable in earlier years	E. Code section	F. Amortization period or percentage	G. Amortization for this year

Total column G. Enter here and on Other deduction or expense line of your return	

Department of the Treasury
Internal Revenue Service

Instructions for Form 4562

Depreciation and Amortization

(Revised September 1982)

Section references are to the Internal Revenue Code

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. The information is used to ensure that you are complying with these laws and so that we can figure and collect the right amount of tax. You are required to give us this information.

Purpose.—Use Form 4562 to explain your deductions for depreciation and amortization, and to make the election to expense recovery property.

For more information about depreciation (including the treatment of mass asset accounts) and the election to expense newly acquired recovery property, see **Publication 534,** Depreciation. For more information about amortization, see **Publication 535,** Business Expenses. You may be eligible to take investment credit on newly acquired depreciable property. See the Instructions for **Form 3468,** Computation of Investment Credit, for more information.

Specific Instructions

Part I.—Depreciation

Depreciation is an amount you can deduct each year for assets, except land, you buy to use in your business or hold to produce income. (Land is never depreciable.) Depreciation starts when you place the property in service. It ends when you take the property out of service or deduct all of your depreciable cost.

Generally, assets you place in service after December 31, 1980, are depreciated using the Accelerated Cost Recovery System (ACRS). These assets are called "recovery property." You may be able to elect to expense up to $5,000 of certain recovery property in Section A. Show your depreciation for recovery property in Section B. If you have an asset that is nonrecovery property, show your depreciation in Section C.

Section A.—Election to expense recovery property.—For tax years beginning after December 31, 1981, you may elect to expense part of the cost of recovery property that would qualify for investment credit. You must have purchased (as defined in section 179(d)(2)) the property and placed it in service this year for use in your trade or business. If you take this deduction, you may not depreciate or amortize the same cost, nor may you take the investment credit for this cost.

An estate or trust may not elect to expense recovery property. A partnership may elect to expense and pass through to its partners a maximum of $5,000. Each partner adds his or her share of the partnership amount to any other section 179 expense he or she elected to take, and deducts the combined amount up to the $5,000 (or $2,500 for married taxpayers filing separately) limit for each taxpayer. See **Publication 572,** Investment Credit, and **Publication 534** for more information.

Column A.—Enter the class of recovery property (that is, 3-year, 5-year, etc.) for which you make the election and a brief description of the item.

Column B.—Enter the property's cost. Include only what you paid; omit any undepreciated basis on assets you traded in. For information about basis, see **Publication 551,** Basis of Assets.

Column C.—Enter the part of the cost you elect to expense. You can elect to expense part of the cost of an asset and depreciate the rest of it. (You may take the investment credit for the part of the cost you do not expense.)

Line 1.—Enter the column C total, up to $5,000 ($2,500 for married taxpayers filing separately). Partnerships should carry the line 1 amount to Schedule K (Form 1065). All others carry it to line 8 of Section C.

Section B.—Depreciation of recovery property.—*Column A.*—Two factors determine the class of property: whether the property is section 1245 or section 1250 class property; and what midpoint class life (if any) would have applied to it on January 1, 1981, if the asset depreciation range (ADR) system had been elected. The midpoint class lives are listed in the asset guideline period column of the table for depreciation in the back of Publication 534.

In each recovery class except 15-year real property, group the property by the year you placed it in service. For example, list as one item all new and used 3-year property you bought in 1982. However, you must list separately:

- Property used mainly outside the United States.
- Retirement - replacement - betterment (RRB) property.
- Qualified leased property.
- Property financed by tax-exempt obligations.

In the 15-year real property class, group property by the depreciation method elected and the month and year you placed it in service.

Column B.—For lines 2(a), (b), (c), and (d), enter the year you placed the property in service. For lines 2(e) and (f), enter the month and year you placed it in service.

Column C.—Enter the unadjusted basis of the assets you placed in service in the same year. To find unadjusted basis, subtract the part of the basis you elected to amortize or expense (section 179) from the basis you use to determine gain. Do not deduct salvage value in figuring your ACRS deduction. Also, the basis of property placed in service after December 31, 1982, may have to be reduced by one-half of any investment credit taken on it. See Instructions for Form 3468, and **Publication 551.**

Column D.—Enter the recovery period you are using. This is usually the class of property itself (that is, 3-year, 5-year, etc.); but you may instead elect an alternate percentage figured by using the straight-line method over one of the following periods.

For—	You may choose:
3-year property	3, 5, or 12 years
5-year property	5, 12, or 25 years
10-year property	10, 25, or 35 years
15-year real property . . .	15, 35, or 45 years
15-year public utility property	15, 35, or 45 years

Also, for certain assets (described in Column E, below) you may be required to use a specified recovery period.

Column E.—For property for which you are using the prescribed percentages (described in Section B, lines 2(a) through 2(f)), enter "PRE." If you elect an alternate percentage, as described above in Column D instructions, enter "SL." If the asset is used mainly outside the United States, enter "FP" and see section 168(f)(2). If the asset is retirement-replacement-betterment property, enter "RRB" and see section 168(f)(3). If the asset is qualified leased property, enter "QLP" and see sections 168(f)(8) and 168(i). If the asset is property financed by tax-exempt obligations enter "TEO" and see section 168(f)(12).

Column F.—Unless you use an alternate percentage, or a special percentage required for certain types of property (as described above in Column E instructions), enter the prescribed percentage from the line instructions below. If you use an alternate percentage, enter the percentage based on the recovery period you chose. Except for 15-year real property and property requiring a special percentage (as described above), use the same alternate percentage for all property in the same class that you place in service in the same year.

If you elect an alternate percentage, do not figure depreciation by the number of months the property was in use; instead use the half-year convention. The half-year convention treats property as if it were placed in service, or retired, on the first day of the second half of the tax year. However, for the 15-year real property, you can elect an alternate percentage on a property-by-property basis, and the half-year convention does not apply.

Column G.—Multiply the amount in column C by the percentage in column F, and enter the result in column G.

Section B, Line 2(a).—3-year property.—Includes section 1245 class property that:

- Has a midpoint class life of 4 years or less, or
- Is used for research and experimentation, or
- Is a race horse more than 2 years old when you place it in service, or any other horse that is more than 12 years old when you place it in service.

Some examples of 3-year property are: automobiles; light-duty trucks; and machinery and equipment used in connection with research and experiments.

The percentages prescribed for these assets are:

1st year	25%
2nd year	38%
3rd year	37%

Line 2(b).—5-year property.—Includes section 1245 class property that is not assigned to one of the other recovery classes.

The percentages prescribed for these assets are:

1st year	15%
2nd year	22%
3rd through 5th year	21%

Line 2(c).—10-year property.—Includes: public utility property (except 3-year property or section 1250 class property) that has a midpoint class life of more than 18 years and no more than 25 years; section 1250 class property that has a midpoint class life of 12.5 years or less; manufactured homes; railroad tank cars; and certain coal utilization property of public utilities.

The percentages prescribed for these assets are:

1st year	8%
2nd year	14%
3rd year	12%
4th through 6th year	10%
7th through 10th year	9%

Line 2(d).—15-year public utility property.—Includes public utility property (except 3-year property or 15-year real property) that has a midpoint class life of more than 25 years.

The percentages prescribed for these assets are:

1st year	5%
2nd year	10%
3rd year	9%
4th year	8%
5th and 6th year	7%
7th through 15th year	6%

Lines 2(e) and (f).—15-year real property.—Includes section 1250 class property that does not have a midpoint class life of 12.5 years or less. Within each line, enter property grouped by the depreciation method elected and the month and year you placed it in service.

Different percentages apply to low-income housing than to other 15-year real property. The percentage to enter in column F each year depends on the month you placed the property in service. **Publication 534** gives complete percentage tables for 15-year real property. The following chart shows the percentages prescribed for the first three years.

Line2(e). 15-year real property low-income housing.—

Year	Use the column for the month placed in service											
	1	2	3	4	5	6	7	8	9	10	11	12
1st	13%	12%	11%	10%	9%	8%	7%	6%	4%	3%	2%	1%
2nd	12%	12%	12%	12%	12%	12%	12%	13%	13%	13%	13%	13%
3rd	10%	10%	10%	10%	11%	11%	11%	11%	11%	11%	11%	11%

Line 2(f). 15-year real property other than low-income housing.—

Year	Use the column for the month placed in service											
	1	2	3	4	5	6	7	8	9	10	11	12
1st	12%	11%	10%	9%	8%	7%	6%	5%	4%	3%	2%	1%
2nd	10%	10%	11%	11%	11%	11%	11%	11%	11%	11%	11%	12%
3rd	9%	9%	9%	9%	10%	10%	10%	10%	10%	10%	10%	10%

Section B, line 3.—Report property on line 3 that you elect, under section 168 (e)(2), to depreciate by the units-of-production method or any other method not based on a term of years. If you use the retirement-replacement-betterment method, see section 168(f)(3).

Column A.—Describe the property and what depreciation method you elect that excludes the property from ACRS.

Column C.—Enter the depreciable basis (cost or other basis reduced, if applicable, by salvage value, half the investment credit, or both).

Column G.—Enter the depreciation deduction for the property in column G.

Section C.—Depreciation of nonrecovery property.—Use Section C for property you do not amortize, expense, or use ACRS to depreciate. This includes:

- Property placed in service before January 1, 1981;
- Certain public utility property, which does not meet certain normalization requirements;
- Certain property acquired from related persons; and
- Property acquired in certain nonrecognition transactions.

Section C, Line 5.—The Class Life Asset Depreciation Range (CLADR) system does not apply to recovery property placed in service after December 31, 1980.

If you previously elected the CLADR system, you must continue to use it to depreciate assets left in your vintage accounts. You must continue to meet record-keeping requirements.

If you elect CLADR for assets that do not qualify for ACRS (see sections 168(e)(1) and (4)), attach a statement that specifies the items that still apply of those listed in regulations section 1.167(a)–11(f)(2).

Section C, Line 6.—You may list each asset separately or group assets in depreciation accounts. Depreciate each asset or group of assets separately.

Column A.—Briefly describe each asset or group.

Column B.—For a single asset, enter the date you placed it in service. For a group of assets that you place in service on the same date, enter that date. Otherwise, leave column B blank.

Column C.—Enter the depreciable basis (cost or other basis reduced by salvage value, if it applies). See **Publication 551** for more information.

Part II.—Amortization of property

Each year you may elect to deduct part of certain capital expenses over a fixed period. If you amortize property, the part you amortize does not qualify for the election to expense recovery property or depreciation.

Column A.—Describe the property you are amortizing. Amortizable property includes—

- Pollution control facilities (section 169, limited by section 291 for corporations).
- Expenses paid before January 1, 1977, for on-the-job training facilities (section 188).
- Child-care facilities (section 188).
- Amounts paid for research or experiments (section 174), or for a trademark or trade name (section 177).
- Certain business startup costs paid or incurred after July 29, 1980 (section 195).
- Organizational expenses for a corporation (section 248) or partnership (section 709).
- Qualified forestation and reforestation cost (section 194).
- Construction period interest and taxes on real property (except low-income housing) (section 189).
- Certain railroad property (section 185).
- Certain rehabilitation expenses of historic structures made before January 1, 1982 (section 191 (as before repeal by Public Law 97–34) and the transitional rule in Public Law 97–34, section 212(e)(2)).

Column B.—Enter the date you acquired or completed the property or spent the amount you are amortizing.

Column C.—Enter the total amount you are amortizing. See the applicable Code section for limits on the amortizable amount.

Column E.—Enter the Code section under which you amortize the property.

Attach any other information the Code and regulations may require in order to make a valid election.

Form **4625**

Department of the Treasury
Internal Revenue Service

Computation of Minimum Tax—Individuals

▶ See instructions on back.
▶ Attach to Form 1040.

OMB No. 1545-0174

1982

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Name(s) as shown on Form 1040	Your social security number

File this form if your tax preference items (line 2) are more than $10,000 ($5,000 if you are married filing separately) even though you owe no minimum tax, OR if you have minimum tax deferred from an earlier year.

1 Tax preference items for minimum tax:				
(a) Accelerated depreciation on real property—				
(1) Low-income rental housing (167(k))			1a(1)	
(2) Other nonrecovery real property or 15-year real property			1a(2)	
(b) Accelerated depreciation on leased personal property or leased recovery property other than 15-year real property			1b	
(c) Amortization			1c	
(d) Reserves for losses on bad debts of financial institutions			1d	
(e) Depletion			1e	
(f) Intangible drilling costs			1f	
2 Total tax preference items. Add lines 1(a) through 1(f)			2	
3 Amount from Form 1040, line 50*	3			
4 Tax from recapture of investment credit (from Form 1040, line 54)	4			
5 Tax on premature redemption of Individual Retirement Bond(s) (from Form 5329, line 11)	5			
6 Add lines 3 through 5	6			
7 Enter the larger of: (a) one-half of the amount on line 6, or (b) $10,000 ($5,000 if you are married filing separately)			7	
8 Subtract line 7 from line 2 (If line 7 is more than line 2, enter zero)			8	
9 Multiply amount on line 8 by 15%			9	
10 1982 net operating loss carryover to 1983 (attach computation)	10			
11 Multiply amount on line 10 by 15%	11			
12 Deferred minimum tax. Enter the amount from line 9 or line 11, whichever is smaller			12	
13 Minimum tax. Subtract line 12 from line 9			13	
14 Enter minimum tax deferred from earlier years to 1982 (attach computation)			14	
15 Total minimum tax. Add lines 13 and 14			15	
16 Excess tax credits. If Form 1040, line 50, is more than zero, skip this line and enter the amount from line 15 on line 18.				
(a) Credit for the elderly	16a			
(b) Credit for political contributions	16b			
(c) Credit for child care expenses	16c			
(d) Residential energy credits	16d			
17 Add lines 16(a) through 16(d)			17	
18 Subtract line 17 from line 15. If line 17 is more than line 15, enter zero. Enter here and on Form 1040, line 52			18	

*Do not include any tax from Form 4970, Form 4972, Form 5544, or any penalty tax under sec. 72(m)(5).

For Paperwork Reduction Act Notice, see back of form.

Form **4625** (1982)

Instructions

(Section references are to the Internal Revenue Code)

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose.—A minimum tax applies to certain items that receive preferential tax treatment. These tax preference items are listed on line 1.

For more information, see **Publication 909,** Minimum Tax and Alternative Minimum Tax.

Line 1. Tax Preference Items.—*Special Rules:* Section 58 explains these rules in more detail.

- If a tax preference item did not result in a tax benefit, adjust the amount you show on line 1 and attach your computation.
- Generally, include tax preference items attributable to foreign sources only to the extent that they reduce your income tax (except minimum tax) on income from U.S. sources.
- Partners share a partnership's tax preference items in the same proportion that they share its income and deductions. Partners who elected the optional adjustment to basis (section 743) adjust the corresponding tax preference items accordingly.
- Beneficiaries of an estate or trust see section 58(c).
- Shareholders of an electing small business corporation divide its tax preference items the same way they divide its net operating loss.
- Participants in a common trust fund prorate its tax preference items.
- Shareholders or holders of a beneficial interest in a regulated investment company or real estate investment trust share the company's or trust's tax preference items (except line 1(a) by a real estate investment trust) in the same proportion that the dividends paid to them bear to the company's or trust's taxable income (before its deduction for those dividends).

Lines 1(a) and (b). Accelerated depreciation on real property; Accelerated depreciation on leased personal property or leased recovery property other than 15-year real property.—If you use the Class Life Asset Depreciation Range (CLADR) System, use the asset guideline period as the straight-line useful life to figure lines 1(a) and (b).

For (a) but not (b), use any variance in useful life under section 167(m)(1) as the straight-line useful life.

Line 1(a).—For property other than recovery property, enter on the appropriate line(s), the amount you get (never less than zero) by subtracting the depreciation that would have been allowable for the year if you had used the straight-line method, from the depreciation actually allowable. Figure this amount separately for each property.

Include in line 1(a)(2), accelerated depreciation on 15-year real property. Enter the amount by which the deduction allowed under section 168(a) is more than the deduction which would have been allowable had the property been depreciated using a 15-year period and the straight-line method without salvage value.

Line 1(b).—For property other than recovery property, enter the amount you get (never less than zero) by subtracting the depreciation that would have been allowable for the year if you had used the straight-line method, from the depreciation actually allowable. Figure this amount separately for each property.

For recovery property other than 15-year real property, enter the amount by which your deduction under section 168(a) is more than the deduction allowable using the straight-line method with a half-year convention, no salvage value, and the following recovery period:

3 year property	5 years
5 year property	8 years
10 year property	15 years
15 year public utility property	22 years

Line 1(c). Amortization.—For amortization of certain rehabilitation expenditures for certified historic structures, certified pollution control facilities, on-the-job training facilities, and child care facilities; enter the amount by which the amortization you took for 1982 is more than the depreciation deduction otherwise allowable. (For certified historic structures, this can only be straight-line method.) If you use the CLADR System, use the property's asset guideline period, including any variance in useful life, as its useful life in figuring the depreciation deduction otherwise allowable.

Line 1(d). Reserves for losses on bad debts of financial institutions.—Enter your share of the excess of the addition to the reserve for bad debts over the reasonable addition to the reserve for bad debts that would have been allowable if you had maintained the bad debt reserve for all tax years based on actual experience.

Line 1(e). Depletion.—Enter the result of the following: From the depletion deduction allowable under section 611 (including percentage depletion for geothermal deposits) subtract the property's adjusted basis at the end of the year. Figure the adjusted basis without regard to the depletion deduction for the tax year, and figure the excess separately for each property. Do not enter less than zero.

Line 1(f). Intangible drilling costs.—Intangible drilling costs are a tax preference item to the extent that the excess intangible drilling costs are more than your net income from oil, gas, and geothermal properties.

Figure excess intangible drilling costs as follows: From the allowable intangible drilling and development costs (except for costs in drilling a nonproductive well), subtract the amount that would have been allowable if you had capitalized these costs and either amortized them over the 120 months that started when production began, or treated them according to any election you made under section 57(d)(2).

Your net income from oil, gas, and geothermal properties is your gross income from them, minus the deductions allocable to them, except for excess intangible drilling costs and nonproductive well costs.

Figure the line 1(f) amount separately for oil and gas properties which are not geothermal deposits and for all properties which are geothermal deposits.

Line 7. Adjustment in exclusion.—If this is a short-period return use the formula in section 443(d)(2) to determine the adjustment in exclusion for figuring the minimum tax on tax preference items.

Line 14. Minimum tax deferred from earlier year(s).—If a net operating loss carryover from an earlier year(s) reduces taxable income for 1982, and the net operating loss giving rise to the carryover resulted in the deferral of minimum tax in that earlier year(s), all or part of the deferred minimum tax may be includible on line 14 as tax liability for 1982. Figure the deferred minimum tax at 15%. See section 56(b).

Line 16. Excess tax credits.—If Form 1040, line 50, is zero, you may be able to claim any unused part of certain credits against your minimum tax. Apply the credits in the order listed on this form. For example, if Form 1040, line 50 is zero after using the credit for the elderly and part of the credit for political contributions to figure that line, enter the balance of the credit for political contributions, credit for child care expenses, and residential energy credits on Form 4625, line 16.

Form **4626**

Department of the Treasury
Internal Revenue Service

Computation of Minimum Tax—Corporations and Fiduciaries

▶ See instructions for who must file this form.
▶ Attach to Forms 1120, 1120F, 1120L, 1120M, 1120S, 1041, and 990–T.

OMB No. 1545-0175

1982

Name as shown on tax return

Employer identification number

1 (a) Accelerated depreciation on real property—		
(1) Low-income rental housing (section 167(k))	1(a)(1)	
(2) Other nonrecovery real property or 15-year real property	1(a)(2)	
(b) Accelerated depreciation on leased personal property or leased recovery property other than 15-year real property (applies only to estates, trusts and personal holding companies)	1(b)	
(c) Amortization (see Specific Instructions for limitations)	1(c)	
(d) Reserves for losses on bad debts of financial institutions	1(d)	
(e) Depletion	1(e)	
(f) Capital gains (see Specific Instructions for limitations)	1(f)	
(g) Intangible drilling costs (applies only to estates, trusts and personal holding companies)	1(g)	
2 Total items of tax preference—Add lines 1(a) through 1(g)	2	
3 Enter $10,000 exclusion (estates, trusts, and controlled groups—see instructions for line 3)	3	
4 (a) Enter regular tax deduction (see instructions for line 4(a))	4(a)	
(b) Section 56(e) tax carryover (attach computation—see instructions for line 4(b))	4(b)	
(c) Add lines 4(a) and 4(b)	4(c)	
5 Enter greater of line 3 or 4(c)	5	
6 Subtract line 5 from line 2	6	
7 Enter 15% of line 6	7	
8 1982 net operating loss remaining as a carryover (attach computation) . . . 8	▨	
9 Deferred minimum tax—Enter the smaller of line 8 multiplied by 15%, or line 7	9	
10 Subtract line 9 from line 7	10	
11 Enter minimum tax deferred from earlier year(s) (see instructions for line 11)	11	
12 Total minimum tax—Add lines 10 and 11. Enter here and on the proper line of your income tax return	12	

Instructions

(Section references are to the Internal Revenue Code.)

Paperwork Reduction Act Notice.—We ask for this information to carry out the U.S. Internal Revenue laws. The information is used to ensure that you are complying with these laws and so we can figure and collect the right amount of tax. You are required to give us this information.

Tax Equity and Fiscal Responsibility Act of 1982.—This new law has placed limits on the amount of amortization for certified pollution control facilities and capital gain on section 1250 property that is subject to the 15% minimum tax. See Line 1(c) and Line 1(f) in the Specific Instructions for more information.

Purpose.—Form 4626 is used by corporations and fiduciaries to figure minimum tax on tax preference items. The tax preference items are listed on lines 1(a) through 1(g) and are explained in detail under Specific Instructions.

Note: *Estates or trusts that have capital gains or adjusted itemized deductions figure alternative minimum tax for those items on Form 6251, Alternative Minimum Tax Computation. If those are the only tax preference items, do not use Form 4626. If there are other tax preference items, use Form 6251 for capital gains and adjusted itemized deductions, and Form 4626 for all other tax preference items.*

Who Must File.—Form 4626 must be filed for a corporation (other than a Domestic International Sales Corporation (DISC)), or a fiduciary, even if no tax is due, if:

1 It has tax preference items that total more than $10,000; and

2 It is not exempt from income tax imposed by Chapter 1 of the Code; or if it is exempt, it has unrelated business income under section 511.

Others who must file Form 4626 even if no tax is due are:

1 Any entity which deferred minimum tax from an earlier tax year.

2 A member of a controlled group (as defined in section 1563(a)) with total tax preference items that are more than its share of the exclusion.

3 An estate or trust with total tax preference items that are more than its share of the exclusion.

How Tax Preference Items Are Allocated.—*Regulated Investment Companies and Real Estate Investment Trusts.*—Only the net long-term capital gain in excess of the net short-term capital loss that is not taken into account as income by stockholders is an item of tax preference.

To figure how much of the other tax preference items to enter for a regulated investment company or a real estate investment trust, divide the taxable income of the company or trust by the taxable income figured without the deduction for dividends paid. Multiply the result times each item of tax preference. Enter this amount as the company's or trust's share. The remainder is allocated to the shareholders of the company or trust. The company or trust must advise shareholders of their share of each item of tax preference. All of the accelerated depreciation on real property (including ACRS deduction on 15-year real property) is a tax preference item of real estate investment trusts. Do not allocate any of it to shareholders.

Electing Small Business Corporations.—Electing small business corporations are subject to the minimum tax only on capital gains subject to the tax imposed by section 1378. All other items of tax preference are divided among the shareholders as explained in section 1374(c)(1). The capital gains are not divided in this way because the gains are passed through directly to shareholders and must be included in their income as stated in section 1375(a).

Estates and Trusts.—Divide tax preference items of an estate or trust among the estate or trust and the beneficiaries in the same way as the income of the estate or trust is divided among them.

Participants in Common Trust Funds.—Items of tax preference of a common trust fund (as defined in section 584(a)) for each tax year of the fund are treated as belonging to the participants of the fund. Each item of tax preference, except capital gains, is prorated among the participants. Capital gains are passed through directly to participants under section 584(c).

Foreign Source Tax Preference Items.—Tax preference items from foreign sources are included in figuring the minimum tax only when they result in foreign losses that reduce the tax imposed on U.S. income. Capital gains from foreign sources are items of tax preference only if the tax laws of the foreign country or U.S. possession give them preferential treatment. See section 58(g)(2).

Specific Instructions

Limitations on Amounts Treated as Tax Preferences.—See section 58(h) for limitations on amounts treated as tax preference items in certain cases where the item of tax preference resulted in no tax benefit. If limitations apply, attach a schedule showing their computation.

Line 1.—Tax preferences:

(a) Accelerated depreciation on real property must be figured separately for each property.

(1) Enter the amount by which the depreciation on low income rental housing under section 167(k) is more than the deduction allowable for the year under the straight-line method using the normal useful life of the property.

(2) For nonrecovery property, enter the amount by which the depreciation taken on section 1250 property is more than the deduction allowable under the straight-line method. If you use the Class Life Asset Depreciation Range (CLADR) System, see regulations section 1.57–1(b)(4)(i).

For 15-year real property that is recovery property enter the amount by which the deduction under section 168(a) is more than the amount allowable under the straight-line method (with no salvage value) over the 15-year period.

(b) Accelerated depreciation on leased property must be figured separately for each property. For leased nonrecovery property, enter the amount by which the depreciation taken on each leased section 1245 property is more than the deduction using the straight-line method over the useful life of the property.

For the CLADR System, use the asset guideline period as the straight-line useful life. Accelerated depreciation includes any excess depreciation permitted under the CLADR System due to variance in useful life under section 167(m)(1).

For leased recovery property (other than 15-year real property) enter the amount by which the deduction under section 168(a) for the year is more than the deduction allowable under the straight-line method (using a half-year convention and no salvage value) over the following recovery periods:

3-year property	5 years
5-year property	8 years
10-year property	15 years
15-year public utility property .	22 years

(c) Amortization.—Enter the amount by which the amortization allowable is more than the depreciation deduction otherwise allowable for each on-the-job training facility, and child care facility. For each certified pollution control facility placed in service before January 1, 1983, include the amount by which the amortization allowable is more than the depreciation deduction otherwise allowable. However, for each certified pollution control facility placed in service after December 31, 1982, include 71.6% of the amount by which the amortization allowable is more than the depreciation deduction otherwise allowable. (See section 57(b)(1).) If you use the CLADR System, see regulations section 1.57–1(d)(4)(i).

Also include the amount by which the deduction under section 167(o) or 191 for rehabilitating certified historic structures is more than the deduction allowable for the year under the straight-line method using the normal useful life of the improvement.

(d) Reserves for losses on bad debts of financial institutions subject to section 585 or 593.—Enter the amount by which the deduction allowable for the tax year for a reasonable addition to a reserve for bad debts is more than the amount that would have been allowable if the institution had kept its bad debt reserve for all tax years based on actual experience. See Revenue Ruling 79–171 to determine the tax preference amount on the addition to a reserve for bad debts from foreign source income.

(e) Depletion.—Enter the amount by which the deduction for depletion allowable under section 611 for the tax year is more than the adjusted basis of the property at the end of the tax year (determined without the depletion deduction for the tax year). Figure this amount separately for each property as defined in section 614.

(f) Capital Gains.—Estates and trusts do not enter capital gains on this form. See Form 6251.

This item of tax preference applies to a corporation or a personal holding company only if the alternative tax under section 1201 or other comparable section applies for the tax year.

If the alternative tax applies, determine the capital gains tax preference item by subtracting the alternative tax on taxable income (figured under section 1201 or other comparable section) from the tax on taxable income figured under section 11 or similar section. Divide the difference by .46.

If a corporation (other than an electing small business corporation) disposes of section 1250 property after December 31, 1982, the amount treated as ordinary income increases under section 291(a) by 15% of the capital gain that would be additional ordinary income if the property were subject to recapture under section 1245. In determining the capital gains tax preference item, include in a corporation's net capital gain 71.6% of the remaining 85% of the capital gain that would be ordinary income under section 1245. (See section 57(b)(2).)

Corporations with income from timber should see sections 57(a)(9)(C) and 56(d) before completing lines 1(f) and 4(a).

Foreign corporations should only enter capital gains as tax preference items if the gains are effectively connected with the conduct of a trade or business in the United States.

(g) Intangible drilling costs.—Enter the amount by which the intangible drilling and development costs of oil, gas, and geothermal wells (other than costs of drilling a nonproductive well) allowable for the tax year are more than the total of (1) the amount allowable if the cost had been capitalized and straight-line recovery of intangibles had been used, plus (2) the net income for the tax year from oil, gas, and geothermal properties. Apply the intangible drilling costs separately to oil and gas properties that are not geothermal deposits, and properties that are geothermal deposits. This item applies to costs incurred for geothermal wells started on or after October 1, 1978. See section 57(a)(11).

Line 3. Exclusion.—A controlled group of corporations (as defined in section 1563(a)) must divide the $10,000 exclusion among the members of the group in proportion to their regular tax deductions (section 56(c)) for the tax year.

To figure the exclusion for estates or trusts, divide the total of the tax preference items allocated to the estate or trust by the total tax preference items. Multiply the result times $10,000.

Figure the exclusion for a return made for a period of less than 12 months using the rules in section 443(d).

Line 4(a). Regular tax deduction.—A corporation (including an electing small business corporation and a personal holding company) should enter the total taxes imposed under Chapter 1 of the Code for the tax year (other than the accumulated earnings tax, personal holding company tax, and minimum tax), minus the total of the foreign or possession tax credit, investment credit (without the percentage in section 46(a)(2)(E)), jobs credit, WIN credit, credit for employee stock ownership plan, alcohol fuel credit, nonconventional source fuel production credit, and the credit for increasing research activities.

Estates and trusts should reduce the taxes imposed under Chapter 1 of the Code for the tax year (other than the tax on lump sum distributions as defined in section 402(e), alternative minimum tax, and minimum tax) by the total of the foreign or possession tax credit, investment credit, jobs credit, WIN credit, alcohol fuel credit, nonconventional source fuel production credit, and the credit for increasing research activities. Enter one-half of the result on line 4(a).

Line 4(b). Tax carryover.—This is a special deduction for corporations (except an electing small business corporation) with income from timber. See section 56(e)(1) to figure the carryover from past tax years.

If the carryover is from more than one earlier year, use the carryover from the earliest year first. See section 56(e)(2) to figure the maximum amount of the carryover that may be used. Attach a schedule showing how you figured the carryover.

Line 11. Minimum tax deferred from earlier year(s).—Enter any deferred minimum tax from an earlier year related to a net operating loss carryover from that year that reduces taxable income in this year.

In figuring this amount, the part of the net operating loss carryover not related to the deferred minimum tax is used first to reduce taxable income. The earlier year's deferred minimum tax imposed as a tax liability for 1982 may not be more than the minimum tax deferred from the earlier year.

Form **4684**
Department of the Treasury
Internal Revenue Service

Casualties and Thefts

▶ See instructions on back.
▶ To be filed with Form 1040, 1041, 1065, 1120, etc.

OMB No. 1545-0177
1982
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Name(s) as shown on tax return

Identifying Number

Part I Casualty or Theft Gain or Loss (Use a separate Part I for each different casualty or theft.)

	Item or article	Item or article	Item or article	Item or article
1 (a) Kind of property and description				
(b) Date of purchase or acquisition				
2 Cost or other basis of each item				
3 Insurance or other reimbursement you received or expect to receive				
4 Gain from casualty or theft. If line 3 is more than line 2, enter difference here and on line 15 or 20, column C. However, see instructions for line 19. Also, skip lines 5 through 14 *If line 2 is more than line 3, skip line 4 and complete lines 5 through 14.*				
5 Fair market value before casualty or theft				
6 Fair market value after casualty or theft				
7 Subtract line 6 from line 5				
8 Enter smaller of line 2 or line 7 **Note:** *If the loss was to property used in a trade or business or for income-producing purposes, and totally destroyed by a casualty or lost from theft, enter on line 8, in each column, the amount from line 2.*				
9 Subtract line 3 from line 8				

10 Casualty or theft loss. Add amounts on line 9. See instructions for **How Many Forms To Complete**	
11 Enter the part of line 9 that is from trade, business, or income-producing property here and on line 15 or 20, column B(i)	
12 Subtract line 11 from line 10	
13 Enter the amount from line 12 or $100, whichever is smaller	
14 Subtract line 13 from line 12. See instructions for **How Many Forms To Complete** before completing this line and the rest of this form. Enter here and on line 15 or 20, column B(ii)	

Part II Summary of Gains and Losses (From separate Parts I)

	(A) Identify casualty or theft	(B) Losses from casualties or thefts		(C) Gains from casualties or thefts includible in income
		(i) Trade, business, rental or royalty property	(ii) Other property	
	Casualty or Theft of Property Held One Year or Less			
15				
16	Totals. Add amounts on line 15 for each column			
17	Combine line 16, columns (B)(i) and (C). Enter the net gain or (loss) here and on Form 4797, Part II, line 8(a). (If Form 4797 is not otherwise required, see instructions.)			
18	Enter the amount from line 16, column (B)(ii) here and on line 24 of Schedule A (Form 1040)—Identify as "4684." See instructions before completing this line			
	Casualty or Theft of Property Held More Than One Year			
19	Any casualty or theft gains from Form 4797, Part III, line 26			
20				
21	Total losses. Add amounts on line 20, columns (B)(i) and (B)(ii)			▨
22	Total gains. Add lines 19 and 20, column (C)			
23	Add line 21, columns (B)(i) and (B)(ii) *If this form is filed by a partnership, enter amount from line 24a, 24b, or 25 on Schedule K (Form 1065), line 7.*			
24	If the loss on line 23 is more than the gain on line 22:			
	(a) Combine line 21, column (B)(i) and line 22. Enter the net gain or (loss) here and on Form 4797, Part II, line 8(a). (If Form 4797 is not otherwise required, see instructions.)			
	(b) Enter the amount from line 21, column (B)(ii) here and on line 24 of Schedule A (Form 1040)—Identify as "4684." See instructions before completing this line			
25	If the loss on line 23 is equal to or smaller than the gain on line 22, enter the net gain here and on Form 4797, Part I, line 2(a). (If Form 4797 is not otherwise required, see instructions.)			

For Paperwork Reduction Act Notice, see back of form.

Form **4684** (1982)

General Instructions

(Section references are to the Internal Revenue Code)

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form.—Use Form 4684 to figure your gain or loss from casualty or theft.

How Many Forms To Complete

- If you had only **one casualty or theft** during the year and only **four or fewer items** were lost or damaged in that one casualty or theft, complete only one Form 4684. Use a separate column of Part I for each item lost or damaged. Complete Part II only if you had a gain from the casualty or theft on any item or if the property lost or damaged was used in a trade or business or for income-producing purposes.
- If you had only **one casualty or theft** during the year, but **more than four items** were lost or damaged, you will need to complete additional Forms 4684 or additional sheets to list all of the items. Use a separate column in each Part I for each item lost or damaged. However, you need only complete Part I (and not Part II) of the forms provided that:
    - You are an individual (file Form 1040);
    - The casualty or theft was to property that was **not** used in a trade or business or for income-producing purposes; **and**
    - The loss of, or damage to, each item resulted in a loss (rather than a gain).

  Complete all of the forms through line 9. On one of the forms, enter on line 10 the total of the line 9 amounts from all of the forms and complete lines 11 through 14. Enter the amount from line 14 on line 24 of Schedule A (Form 1040). Do not complete Part II of Form 4684.
- If you had **more than one casualty or theft** during the year, **or** you had **a gain** on any item from one casualty or theft, or the property lost or damaged in the casualty or theft was used in a trade or business or for income-producing purposes, you must complete:
    - A separate Part I for each casualty or theft using a separate column in Part I for each item lost or damaged; and
    - One Part II of Form 4684 to summarize your gains and losses from casualties and thefts.

Casualty or Theft Losses You May Deduct

You may deduct losses arising from fire, storm, shipwreck, other casualty, theft (for example, larceny, embezzlement, and robbery), or damage to your car that is not the result of a willful act or willful negligence of the driver.

When To Deduct a Loss

Casualty Loss.—Deduct the part of your casualty loss that will not be reimbursed, in the tax year the casualty occurred. However, a disaster loss may be treated differently. See the section on Special Rule for Disaster Losses.

Theft Loss.—Deduct the part of your theft loss that will not be reimbursed, in the tax year you discover the theft.

If you are not sure whether part of your casualty or theft loss will be reimbursed, do not deduct that part until the tax year when you are reasonably certain that it will not be reimbursed.

If you are reimbursed for a loss you deducted in an earlier year, include the reimbursement in your income for the tax year in which you received it. Include it to the extent the deduction reduced your tax in the earlier year.

Casualty or Theft Gains That You Must Report

If the amount you received in insurance or other compensation is more than the cost or other basis of the property, you have a casualty or theft gain.

If you had a casualty or theft gain from trade, business, or income-producing property held more than one year, part or all of the gain may be ordinary income. See the instructions for line 19.

If property is destroyed or lost by casualty or theft and replaced with similar property, the gain may be partially or wholly nontaxable. Report on this form only the part of the gain that is taxable.

How To Figure a Casualty Loss

Trade, Business, or Income-Producing Property.—To figure a casualty loss from a trade or business or from income-producing property, measure the decrease in value by taking the building and other items into account separately. For example, if you had a rental property that was damaged by a storm, figure the loss on the building separately from any trees or shrubs that were damaged.

Other Property.—To figure a casualty loss involving real property and real property improvements not used in a trade or business, or for income-producing purposes, measure the decrease in value of the property as a whole.

Special Rule for Disaster Losses

A disaster loss is a loss which occurred in an area determined by the President of the United States to warrant Federal disaster assistance. You may elect to deduct the loss in the prior tax year as long as the loss would otherwise be allowed as a deduction in the year it occurred.

This election must be made by filing your return or amended return by the later of the following two dates:

(1) The due date for filing your original return (without extensions) for the tax year in which the disaster actually occurred.

(2) The due date for filing your original return (including any extension) for the tax year immediately before the tax year in which the disaster actually occurred.

The return claiming the disaster loss should specify the date or dates of the disaster and the city, town, county, and State in which the damaged or destroyed property was located.

You may revoke your election within 90 days after making it by returning to IRS any refund or credit you received from the election. If you revoke your election before receiving a refund, you must repay the refund within 30 days after receiving it.

Note: To determine the amount to deduct for a disaster loss you must take into account any benefits you received from Federal or State programs to restore your property.

Publications.—See the following publications for more information: **Publication 547,** Tax Information on Disasters, Casualties, and Thefts; **Publication 551,** Basis of Assets; and **Publication 584,** Disaster and Casualty Loss Workbook.

Line-by-Line Instructions

Line 2.—Cost or other basis usually means original cost plus improvements, minus depreciation allowed or allowable, amortization, depletion, etc. Special rules apply to property received as a gift or inheritance.

Lines 5, 6, and 7.—Fair market value is the price at which the property would change hands between a willing buyer and a willing seller. Replacement cost is not fair market value. The fair market value of property after a theft is zero. Fair market value is generally determined by competent appraisal. This appraisal must take into account the effects of any general market decline that may occur at the same time as the casualty or theft. You may be able to use the cost of repairs to the damaged property as evidence of the loss of value. However, you must show the following:

(a) The repairs are necessary to restore the property to the condition it was in immediately before the casualty.

(b) The amount you spent for these repairs is not excessive.

(c) The repairs only correct the damage.

(d) The value of the property after the repairs is not, as a result of the repairs, more than the value of the property immediately before the casualty.

Line 11.—If the loss is from property partly used for personal purposes, such as a personal home with a rental unit, enter only the part used for trade, business, or income-producing purposes.

Line 14.—If you are an individual and meet the requirements for completing only Part I, enter the amount from line 14 on Schedule A (Form 1040), line 24.

Caution: If (1) for your tax year that begins in **1983** you had a **disaster loss** from property **not used** in a trade or business or for income-producing purposes, and (2) you choose to deduct the loss on your tax return for your tax year that began in 1982, and (3) you are not required to complete Part II of Form 4684, subtract line 13 from line 12. Enter on line 14 the part of the remainder that is more than 10% of line 33, 1982 Form 1040. Attach a schedule showing this computation.

Lines 15 and 20.—Enter on line 15, all gains and losses to property held one year or less. Enter on line 20, all gains and losses to property held more than one year. However, see the instructions for line 19. If part of one casualty or theft is to property held one year or less, and part to property held more than one year, separate it according to how long the property was held. It may be necessary to allocate line 14.

Column A.—Use a separate line for each different casualty or theft.

Column B(i).—Enter the part of line 11 from trade, business, rental, or royalty property.

Column B(ii).—Enter the loss from line 14 and the part of line 11 not included in column B(i).

Lines 17 and 24(a).—If Form 4797 is not otherwise required, enter this amount on the applicable form as follows and identify as "4684":

Form 1040, line 15

Form 1120, page 1, line 9

Form 1065, page 1, line 9 (Form 4684, line 17 only)

Form 1041, page 1, line 8

Form 1120S, page 1, line 9

Lines 18 and 24(b).—Estates and trusts, enter amount from this line on Form 1041, line 16. Partnerships enter the amount from line 18 on Schedule K (Form 1065), line 13. Identify as "4684."

Caution: If (1) for your tax year that begins in **1983** you had a **disaster loss** from property **not used** in a trade or business or for income-producing purposes, and (2) you choose to deduct the loss on your tax return for your tax year that began in 1982—

- **Line 18.** Enter the part of line 16, column (B)(ii) that is more than 10% of line 33, 1982 Form 1040.
- **Line 24(b).** Enter the part of line 21, column (B)(ii) that is more than 10% of line 33, 1982 Form 1040.

Note: If both lines 16(B)(ii) and 21(B)(ii) show a loss, allocate one 10% amount between lines 16(B)(ii) and 21(B)(ii).

Attach a schedule showing this computation.

Line 19.—If you had a casualty or theft gain from trade, business, or income-producing property held more than one year, you may have to recapture part or all of the gain as ordinary income. If so, complete Form 4797, Part III and this line instead of completing line 20 of Form 4684.

Line 25.—If Form 4797 is not otherwise required, enter this amount on your appropriate Schedule D as follows and identify as "4684":

Schedule D (Form 1040), line 14
Schedule D (Form 1120), line 5
Schedule D (Form 1041), line 11
Schedule D (Form 1120S), line 5.

Form **4797**
Department of the Treasury
Internal Revenue Service (X)

Supplemental Schedule of Gains and Losses

(Includes Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions)
To be filed with Form 1040, 1041, 1065, 1120, etc.—See Separate Instructions

OMB No. 1545-0184
1982
31

Name(s) as shown on return	Identifying number

Part I Sales or Exchanges of Property Used in a Trade or Business, and Involuntary Conversions From Other Than Casualty and Theft—Property Held More Than 1 Year (Except for Certain Livestock)

Note: *Use Form 4684 to report involuntary conversions from casualty and theft.*
Caution: *If you sold property on which you claimed the investment credit, you may be liable for recapture of that credit. See Form 4255 for additional information.*

a. Kind of property and description	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price minus expense of sale	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, plus improvements	g. LOSS (f minus the sum of d and e)	h. GAIN (d plus e minus f)
1							

	g. LOSS	h. GAIN
2 (a) Gain, if any, from Form 4684, line 25	▨	
(b) Section 1231 gain from installment sales from Form 6252, line 21 or 29	▨	
3 Gain, if any, from line 26, Part III, on back of this form from other than casualty and theft	▨	
4 Add lines 1 through 3 in column g and column h	( )	

5 Combine line 4, column g and line 4, column h. Enter gain or (loss) here, and on the appropriate line as follows:
(a) For all except partnership returns:
(1) If line 5 is a gain, enter the gain as a long-term capital gain on Schedule D. See instruction E.
(2) If line 5 is zero or a loss, enter that amount on line 6.
(b) For partnership returns: Enter the amount from line 5 above, on Schedule K (Form 1065), line 8.

Part II Ordinary Gains and Losses

a. Kind of property and description	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price minus expense of sale	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, plus improvements	g. LOSS (f minus the sum of d and e)	h. GAIN (d plus e minus f)
6 Loss, if any, from line 5(a)(2)							▨
7 Gain, if any, from line 25, Part III on back of this form						▨	
8 (a) Net gain or (loss) from Form 4684, lines 17 and 24a							
(b) Ordinary gain from installment sales from Form 6252, line 20 or 28						▨	▨
9 Other ordinary gains and losses (include property held 1 year or less):							
10 Add lines 6 through 9 in column g and column h						( )	

11 Combine line 10, column g and line 10, column h. Enter gain or (loss) here, and on the appropriate line as follows:
(a) For all except individual returns: Enter the gain or (loss) from line 11, on the return being filed. See instruction F for specific line reference.
(b) For individual returns:
(1) If the loss on line 6 includes a loss from Form 4684, Part II, column B(ii), enter that part of the loss here and on line 24 of Schedule A (Form 1040). Identify as from "Form 4797, line 11(b)(1)"
(2) Redetermine the gain or (loss) on line 11, excluding the loss (if any) on line 11(b)(1). Enter here and on Form 1040, line 15

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Form **4797** (1982)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1251, 1252, 1254, 1255

Skip lines 20 and 21 if you did not dispose of farm property or farmland, or if a partnership files this form.

12 Description of sections 1245, 1250, 1251, 1252, 1254, and 1255 property:	Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)
(A)		
(B)		
(C)		
(D)		

Relate lines 12(A) through 12(D) to these columns ▶ ▶ ▶	Property (A)	Property (B)	Property (C)	Property (D)
13 Gross sales price minus expense of sale				
14 Cost or other basis				
15 Depreciation (or depletion) allowed (or allowable)				
16 Adjusted basis, subtract line 15 from line 14				
17 Total gain, subtract line 16 from line 13				
18 If section 1245 property:				
(a) Depreciation allowed (or allowable) after applicable date (see instructions)				
(b) Enter smaller of line 17 or 18(a)				
19 If section 1250 property: (If straight line depreciation used, enter zero on line 19(f).)				
(a) Additional depreciation after 12/31/75				
(b) Applicable percentage times the smaller of line 17 or line 19(a) (see instruction G.4)				
(c) Subtract line 19(a) from line 17. If line 17 is not more than line 19(a), skip lines 19(d) and 19(e)				
(d) Additional depreciation after 12/31/69 and before 1/1/76				
(e) Applicable percentage times the smaller of line 19(c) or 19(d) (see instruction G.4)				
(f) Add lines 19(b), and 19(e)				
20 If section 1251 property:				
(a) If farmland, enter soil, water, and land clearing expenses for current year and the four preceding years				
(b) If farm property other than land, subtract line 18(b) from line 17; if farmland, enter smaller of line 17 or 20(a)				
(c) Excess deductions account (see instruction G.5)				
(d) Enter smaller of line 20(b) or 20(c)				
21 If section 1252 property:				
(a) Soil, water, and land clearing expenses				
(b) Amount from line 20(d), if none enter zero				
(c) Subtract line 21(b) from line 21(a). If line 21(b) is more than line 21(a), enter zero				
(d) Line 21(c) times applicable percentage (see instruction G.5)				
(e) Subtract line 21(b) from line 17				
(f) Enter smaller of line 21(d) or 21(e)				
22 If section 1254 property:				
(a) Intangible drilling and development costs deducted after 12/31/75 (see instruction G.6)				
(b) Enter smaller of line 17 or 22(a)				
23 If section 1255 property:				
(a) Applicable percentage of payments excluded from income under section 126 (see instruction G.7)				
(b) Enter the smaller of line 17 or 23(a)				

Summary of Part III Gains (Complete Property columns (A) through (D) through line 23(b) before going to line 24)

24 Total gains for all properties (add columns (A) through (D), line 17)	
25 Add columns (A) through (D), lines 18(b), 19(f), 20(d), 21(f), 22(b) and 23(b). Enter here and on Part II, line 7	
26 Subtract line 25 from line 24. Enter the portion from casualty and theft on Form 4684, line 19; enter the portion from other than casualty and theft on Form 4797, Part I, line 3	

Part IV Complete this Part Only if You Elect Out of the Installment Method And Report a Note or Other Obligation at Less Than Full Face Value

☐ Check here if you elect out of the installment method.

Enter the face amount of the note or other obligation ▶

Enter the percentage of valuation of the note or other obligation ▶

1982 Department of the Treasury
Internal Revenue Service

Instructions for Form 4797

Supplemental Schedule of Gains and Losses

(Includes Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions)

(Section references are to the Internal Revenue Code unless otherwise specified.)

A. Examples of Items Reportable on This Form—Where to Make First Entry

Below are common examples of items reportable on this form. Columns (b) and (c) show the part of Form 4797 in which they should be entered. (a)	Held One Year or less (b)	Held More than One Year (c)
1. Depreciable trade or business machinery:		
(a) Sold or exchanged at a gain	Part II	Part III (1245)
(b) Sold or exchanged at a loss	Part II	Part I
2. Depreciable realty (including rental property):		
(a) Sold or exchanged at a gain	Part II	Part III (1250)
(b) Sold or exchanged at a loss	Part II	Part I
3. Cattle and horses used in a trade or business for draft, breeding, dairy, or sport purposes:		
(a) Held for less than 24 months from acquisition date, sold at a gain or loss	Part II	Part II
(b) Held for 24 months or more from acquisition date:		
(1) Sold at a gain	Not applicable	Part III (1245)
(2) Sold at a loss	Not applicable	Part I
4. Livestock other than cattle and horses used in a trade or business for draft, breeding, dairy, or sport purposes:		
(a) Held less than 12 months from acquisition date, sold at a gain or loss	Part II	Not applicable
(b) Held for 12 or more months from acquisition date:		
(1) Sold at a gain	Part II	Part III (1245)
(2) Sold at a loss	Part II	Part I
5. Farm land held less than 10 years upon which soil, water, and/or land clearing expenses were deducted:		
(a) Sold at a gain	Part II	Part III (1252)
(b) Sold at a loss	Part II	Part I
6. Disposition of cost-sharing payments described in section 126	Part III (1255)	Part III (1255)

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

B. Purpose of Form 4797

Use Form 4797 to report the following:

1. The sale or exchange of:
   - *(a)* Trade or business property.
   - *(b)* Some kinds of depreciable and amortizable property.
   - *(c)* Some kinds of oil, gas, and geothermal property.
   - *(d)* Section 126 property.
2. The involuntary conversion (other than casualty or theft) of trade or business property and certain capital assets.
3. Disposition of other noncapital assets not mentioned in 1 or 2.

Please get Publication 544, Sales and Other Dispositions of Assets, for more information.

Note: *Use Form 4684 to report involuntary conversions from casualty and theft.*

C. Special Rules

1. Transfer of Appreciated Property to Political Organizations.—Treat a transfer of property to a political organization as a sale of property on the date of transfer. This rule applies only if the property's fair market value when transferred is more than your adjusted basis. Report the fair market value of the property at the time of the transfer as the sales price. Apply the ordinary income or capital gains provisions as if a sale actually occurred. (See section 84.)

2. Exchange of "Like-Kind" Property.—Report the exchange of "like-kind" property on Schedule D or on Form 4797, whichever applies. You must report the exchange even though no gain or loss is recognized when you exchange business or investment property for property of "like-kind." (This does not include stock in trade or other property held primarily for sale. It also does not include stocks, bonds, notes, choses in action, certificates of trust or beneficial interest, or other securities or evidences of indebtedness or interest.)

If you use Form 4797, identify on line 1, column a, the property you disposed of. Enter the date you acquired it in column b, and the date you exchanged it in column c. Write "like-kind exchange" in column d. Enter the depreciation allowed (or allowable) in column e, and the cost or other basis in column f. Enter zero in columns g and h. (See section 1031.)

3. Involuntary Conversion of Property.—You may not have to pay tax on a gain from an involuntary or compulsory conversion of property. (See section 1033.)

4. "At Risk" Rules.—If you sell or otherwise dispose of (1) an asset used in an activity to which the "at risk" rules apply or (2) any part of your interest in an activity to which the "at risk" rules apply (see section 465 of the Code), combine the gain or loss on the disposition with the profit or loss from the activity. If you have a net loss, you may be subject to the "at risk" provisions.

D. Where on This Form to Report Transactions

In **Part I** report sales or exchanges of trade or business property held more than 1 year, and involuntary conversions (condemnations), other than casualty and theft, of property held more than 1 year. If livestock is involved, see section 1231 for a longer holding period.

Note: *If you attach your own schedule to show details of gain or (loss), enter on lines 4 and 10, the total gain and the total loss. Do not combine them.*

In **Part II** report ordinary gains or losses on the sale, exchange, or involuntary or compulsory conversion of noncapital assets (trade or business property). Examples are:

1. Land held 1 year or less that does not qualify as a capital asset.

2. Some kinds of depreciable property held 1 year or less.

3. Gains on some kinds of involuntary conversions of capital assets held 1 year or less.

In **Part III** report a gain on the sale, exchange, or involuntary or compulsory conversion of some kinds of property subject to amortization or depreciation, some kinds of farm property, oil, gas or geothermal property, or section 126 property.

E. Part I, Sales or Exchanges of Property Used in a Trade or Business, and Involuntary Conversions (Section 1231)

Property used in a trade or business is real or depreciable property. It includes: some kinds of livestock, timber, coal, domestic iron ore, and unharvested crops. It does not include: inventory, property held primarily for sale to customers, or certain copyrights; literary, musical, or artistic compositions; letters or memorandums; U.S. Government publications; or similar property.

Line 5(a)(1).—If line 5 is a gain, enter that gain on the applicable line of your Schedule D:

- Schedule D (Form 1040), line 14.
- Schedule D (Form 1120), line 5.
- Schedule D (Form 1041), line 11.
- Schedule D (Form 1120S), line 5.

F. Part II, Ordinary Gains and Losses

If a transaction is not reportable in Part I or III and the property is not a capital asset reportable on Schedule D, report the transaction in Part II.

Small Business Stock.—Report losses from the sale of this stock as ordinary losses on line 9. However, report gains as capital gains on Schedule D (Form 1040).

Disposition of Partnership Interest.—You may receive ordinary income from a sale or other disposition of your interest in a partnership. Please get **Publication 541**, Tax Information on Partnerships, and **Publication 544**, Sales and Other Dispositions of Assets, for more information.

Line 11(a).—If line 11(a) applies, enter the gain or loss on the applicable form, as follows:

- Form 1120, page 1, line 9.
- Form 1065, page 1, line 9.
- Form 1041, page 1, line 8.
- Form 1120S, page 1, line 9.
- Form 1120F, page 3, Section II, line 9.
- Form 1120–DISC, page 2, Schedule B, line 2(i).
- Form 1120L, see instructions for Form 1120L.

G. Part III, Gains From Disposition of Property Under Sections 1245, 1250, 1251, 1252, 1254, and 1255

1. When To Use Part III.—Use Part III to convert a possible long-term capital gain on a disposition of property into ordinary income. You must do this if any of the following apply:

(a) If depreciation or amortization is allowed or allowable after certain dates. (See sections 1245 and 1250.) For purposes of sections 1245 and 1250, include in depreciation any reduction in basis under section 48(q).

(b) If farm loss(es) exist. (Special rules exempt certain individuals, estates, and electing small business corporations. See section 1251.)

(c) If soil and water conservation expenses or land-clearing expenses were deducted on certain farm land. (See section 1252.)

(d) If intangible drilling and development costs were incurred after December 31, 1975, for oil, gas and geothermal property. (See section 1254.)

(e) If you disposed of section 126 property. (See section 1255.)

Caution: *If you are completing this form for a partnership, skip lines 20 and 21. A partnership should refer to sections 1251 and 1252 for guidance. A partnership may also have to use its own attachments to support entries on Schedule K (Form 1065) relating to sections 1251 and 1252 distributions to partners. See instruction G.5.*

2. How To Use Part III.—In Part III, lines 12 through 23, report up to four transactions. Use more forms, if necessary. Complete the lines that apply for each disposition of property.

For example, if you dispose of property subject to section 1245, complete line 12(A), lines 13 through 17, and line 18 in the "Property A" column. If you also dispose of property subject to section 1250, complete line 12(B), lines 13 through 17, and line 19 in the "Property B" column.

If you dispose of section 1251 property, it may be subject to section 1245 before you apply section 1251 treatment to it. In that case, after you apply section 1245, go to line 20 in the same property column to determine the effect of section 1251 on any remaining gain that was not converted to ordinary income under section 1245. A similar relationship may exist between sections 1251 and 1252 if you dispose of some kinds of farm land. In this case, apply section 1251 first. Then go to line 21 in the same property column to determine the effect of section 1252 on any balance of gain that has not been converted to ordinary income under section 1251.

3. Section 1245, Gain From Disposition of Depreciable Property and Certain Real Property Held More Than One Year.—

Definition.—Section 1245 property is property which is depreciable (or amortizable under section 185) and is one of the following:

(a) Personal property.

(b) Livestock held for draft, breeding, dairy, or sport purposes.

(c) Elevators and escalators.

(d) Real property (other than property described in (e)) subject to amortization or deduction under sections 169, 179, 185, 188, 190, 193, or 194.

(e) Tangible real property (except buildings and their structural components) if it is used in any of the following ways:

(1) As an integral part of certain business activities.

(2) As a research facility.

(3) For the bulk storage of fungible commodities (including commodities in a liquid or gaseous state) in connection with manufacturing, production, extraction, or furnishing transportation, communications, or certain other public utility services.

(f) A single purpose agricultural or horticultural structure under section 48(p).

(g) A storage facility used in connection with the distribution of petroleum or any primary product of petroleum.

See section 1245(b) for exceptions and limits involving:

(a) Gifts.

(b) Transfers at death.

(c) Certain tax-free transactions.

(d) Certain like-kind exchanges, involuntary conversions, etc.

(e) Sales or exchanges to accomplish FCC policies, and exchanges to comply with SEC orders.

(f) Property distributed by a partnership to a partner.

(g) Transfers to tax-exempt organizations where the property will be used in an unrelated business.

(h) Timber property.

See section 1245(a)(4) for a special rule for player contracts. Also see section 1056(c) regarding information required to be supplied by the transferor of a franchise of any sports enterprise if the sale or exchange involves the transfer of player contracts.

Line 18(a).—Enter the depreciation allowed or allowable after December 31, 1961 (after June 30, 1963, for elevators and escalators, and after December 31, 1980 for recovery property). Include expenses deducted under section 179. You may have to include depreciation allowed or allowable on another asset if you use its adjusted basis in determining the adjusted basis of the property described on line 12. An example is property acquired by a trade-in. (See section 1.1245–2(c)(4) of the regulations.)

See section 1245(a)(2)(D) when you dispose of certain amortizable real property.

See section 1245(a)(5) for special rules when section 1245 recovery property is disposed of.

See section 1245(a)(6) for special rule for qualified leased property.

4. Section 1250, Gain From Disposition of Depreciable Real Property Held More Than One Year.—

Definition.—Section 1250 property is depreciable real property other than section 1245 property.

See section 1250(d) for exceptions and limits involving:

(a) Gifts.

(b) Transfers at death.

(c) Some tax-free transactions.

(d) Some like-kind exchanges, involuntary conversions, etc.

(e) Sales or exchanges to accomplish FCC policies, and exchanges to comply with SEC orders.

(f) Property distributed by a partnership to a partner.

(g) Disposition of a principal residence.

(h) Disposition of qualified low-income housing.

(i) Transfers of property to tax-exempt organizations where the property will be used in an unrelated business.

(j) Disposition of property as a result of foreclosure proceedings.

(k) Disposition of section 1245 recovery property.

For dispositions by a corporation after 12/31/82, see section 291(a)(1).

Lines 19(a) and 19(d).—For section 1250 property held more than one year, additional depreciation is the excess of actual depreciation, over depreciation figured using the straight line method. For this purpose, do not include any reduction in basis under section 48(q) as straight line depreciation.

On line 19(a) enter the additional depreciation for the period after December 31, 1975.

On line 19(d) enter the additional depreciation for the period after December 31, 1969, and before January 1, 1976.

If the straight line depreciation is more than the actual depreciation on line 19(d), reduce line 19(a) (but not below zero) by that amount.

For additional depreciation attributable to rehabilitation expenditures, see section 1250(b)(4).

If substantial improvements have been made, see section 1250(f).

Line 19(b).—Use 100% as the percentage for this line unless one of the situations in (a) through (d) applies:

(a) Section 1250 property with a mortgage insured under section 221(d)(3) or 236 of the National Housing Act, or housing financed or assisted by direct loan or tax abatement under similar provisions of State or local laws with the owner subject to the restrictions in section 1039(b)(1)(B): The applicable percentage is 100% minus 1% for each full month the property was held over 100 full months.

(b) Dwelling units held for occupants who were eligible for subsidies either under section 8 of the U.S. Housing Act of 1937, or under State or local law authorizing similar levels of subsidy for low-income families: The applicable percentage is 100% minus 1% for each full month the property was held over 100 full months. (This applies to a building, or part of a building, devoted to dwelling units if at least 85% of the units in the building are held for occupants eligible under these laws.)

(c) Section 1250 property with a loan made or insured under title V of the Housing Act of 1949: The applicable percentage is 100% minus 1% for each full month the property was held over 100 full months.

(*d*) Section 1250 property with a depreciation deduction for rehabilitation expenditures allowed under section 167(k): The applicable percentage is 100% minus 1% for each full month over 100 full months after the date the property was placed in service.

Items (a), (b), and (c) above do not apply to the additional depreciation described in section 1250(b)(4) which was allowed under section 167(k).

Line 19(e).—Use 100% as the percentage for this line unless one of the situations in (a) through (c) below applies:

(*a*) Section 1250 property with a mortgage insured under section 221(d)(3) or 236 of the National Housing Act, or housing financed or assisted by direct loan or tax abatement under similar State or local laws (with the owner subject to the restrictions in section 1039(b)(1)(B)): The applicable percentage is 100% minus 1% for each full month the property was held for over 20 full months.

(*b*) Residential rental property (defined in section 167(j)(2)(B)) other than that covered by (a) above: The applicable percentage is 100% minus 1% for each full month the property was held over 100 full months.

(*c*) Section 1250 property with a depreciation deduction for rehabilitation expenditures allowed under section 167(k): The applicable percentage is 100% minus 1% for each full month over 100 full months after the date the property was placed in service.

Items (a) and (b) above do not apply to the additional depreciation described in section 1250(b)(4).

5. Gain From Disposition of Sections 1251 and 1252 Property (Lines 20 and 21).—

Partnerships and Partners.—Partnerships must skip lines 20 and 21, because only a partner can figure an excess deductions account. This is used to convert a possible long-term capital gain into ordinary income.

For a partnership, line 26 may include gains that will not be carried from line 26 to Part I. This can occur if the partnership applied section 1245 treatment to the same property that the partner must consider individually under section 1251. In this case, subtract from line 26 the gains that are subject to treatment under section 1251, and distribute them to the partner. Report this as a separate item in Schedule K (Form 1065). See instructions for Schedule K (Form 1065).

Partners should enter on the applicable lines of Part III amounts subject to sections 1251 and 1252, according to instructions they get from the partnership.

Section 1251, Gain From Disposition of Certain Property Used in Farming Held More Than 1 Year Where Farm Losses Offset Nonfarm Income.—Refer to section 1251 to determine if there is ordinary income attributable to farm recapture property described in section 1251(e)(1). Section 1251 does not apply if:

(a) There is no excess deductions account because of a carryover into the current year or because of succeeding to a transfer of such an account, and

(b) There is either (1) no farm net loss for the tax year or (2) there was a farm net loss determined by an accounting method that recognizes the use of inventories and the proper charging of expenditures to a capital account.

In addition to this rule and assuming there is no excess deductions account because of a carryover into the current year or because of succeeding to a transfer of such an account, an individual or estate, and in certain cases an electing small business corporation may ignore section 1251 if:

(a) Nonfarm adjusted gross income is $50,000 or less ($25,000, if married filing a separate return, and spouse has nonfarm adjusted gross income); or

(b) There is a farm net loss of $25,000 or less ($12,500, if married filing a separate return, and spouse has nonfarm adjusted gross income).

See section 1251(b) for exceptions and limits involving:

- Gifts.
- Transfers at death.
- Certain corporate transactions.
- Certain like-kind exchanges and involuntary conversions, etc.
- Partnerships.
- Property transferred to a controlled corporation.

The excess deductions account in section 1251 limits the gain to be recaptured as ordinary income. Determine the excess deductions account and apply it on line 20(c) to the section 1251 farm recapture property in accordance with section 1251. Although the rules of section 1251 still apply to the disposition of certain farm property, add no amount to the excess deductions account.

For gains from disposition of certain farm property subject to sections 1251 and 1245 apply section 1245 (line 18) and then apply section 1251 (line 20).

However, a partner who received from a partnership a distribution of gain that is subject to section 1251 should skip line 18 (section 1245) and enter the applicable amounts on line 17 and 20, according to instructions from the partnership, before starting the section 1251 computation. This is necessary because the partnership will have already applied section 1245 to that property.

Section 1252, Gain From Disposition of Certain Farm Land Held More Than 1 Year But Less Than 10 Years (Line 21).—Refer to section 1252 to determine if there is ordinary income on the disposition of some kinds of farm land for which deductions were allowed under sections 175 (soil and water conservation) and 182 (land clearing). If you dispose of such farm land within the 10th or later year after you acquire it, skip line 21.

Gain from disposition of certain farm land may be subject to ordinary income rules under sections 1251 and 1252 before being considered for purposes of section 1231 (Part I). If so, treat the property under section 1251 before you apply the rules under section 1252.

Line 21(d).—Enter 100% of line 21(c) on line 21(d), except as follows:

(*1*) 80%, if the farm land was disposed of within the 6th year after acquisition.

(*2*) 60%, if disposed of within the 7th year.

(*3*) 40%, if disposed of within the 8th year.

(*4*) 20%, if disposed of within the 9th year.

(*5*) Zero, if disposed of within the 10th or later year.

6. Section 1254, Gain From Disposition of Interest in Oil, Gas or Geothermal Property (Line 22).—If you dispose of oil, gas or geothermal property at a gain, treat all or part of the gain as ordinary income. Include on line 15 any depletion allowed (or allowable) in determining the adjusted basis of the interest in the property.

Line 22(a).—Enter the total amount of expenses after December 31, 1975 (reduced as explained below) that:

(*a*) Are allocable to the oil, gas or geothermal property, and

(*b*) Have been deducted as intangible drilling and development costs under section 263(c) by the taxpayer or any other person, and

(*c*) Would have been reflected in the adjusted basis of the property if they had not been so deducted.

Reduce intangible drilling and development costs determined above by the amount (if any) by which the deduction for depletion under section 611, with respect to the interest, would have increased if such costs incurred after December 31, 1975 had been charged to a capital account instead of being deducted.

If you dispose of a portion of an oil, gas, or geothermal property, or an undivided interest in it, see section 1254(a)(2).

For dispositions by a corporation after 12/31/82, see section 291(b)(4).

7. Section 1255, Gain from Disposition of Section 126 Property.—Enter on line 13, the amount realized from the sale, exchange or involuntary conversion of section 126 property. Enter the fair market value of section 126 property in the case of any other disposition.

Enter on line 16, the adjusted basis of the section 126 property disposed of.

Line 23(a)—Applicable percentage.—Use 100% if the property is disposed of less than 10 years after receipt of payments excluded from income. Use 100% minus 10% for each year or part of a year, that the property was held more than 10 years. Use zero if 20 years or more.

H. Installment Sales

If you sold property at a gain, and are to receive any payment in a tax year after the year of sale, you must use the installment method and Form 6252, Computation of Installment Sale Income, unless you elect not to. Also use Form 6252, if you received a payment this tax year from a sale made in an earlier year on the installment method.

If you want to elect out of the installment method, you must do the following on a timely filed return (including extensions):

(1) Report the full amount of the sale on Form 4797.

(2) If you received a note or other obligation and are reporting it at less than face value (including all contingent payment obligations), complete Part IV. If more than one, enter the amounts separately in the spaces in Part IV.

Form **4835**

Department of the Treasury
Internal Revenue Service

Farm Rental Income and Expenses and Summary of Gross Income From Farming or Fishing

(Crop and Livestock Shares Received by Nonparticipating Landowner (or Sub-lessor))
(Income not subject to self-employment tax) ▶ Attach to Form 1040.

OMB No. 1545-0187

1982
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Name(s) as shown on Form 1040

Social security number

Farm name and address

If you filed Form 943, enter employer identification number here

Purpose.—Use this form to report farm rental income based on crops or livestock produced by the tenant if you were the landowner (or sub-lessor), and did not materially participate in the operation or management of the farm.

Under both the cash and the accrual methods of reporting, you must report livestock or crop share rentals received in the year in which you convert them into money or its equivalent.

Landowners (or sub-lessors) must not use this form to report cash rent received for pasture, or farmland, if the amount is based on a flat charge. Report this income directly on Schedule E (Form 1040).

If you report both farm rental income on line 24 of this form and cash rental income from farm property in Schedule E (Form 1040), you do not have to prorate the farm expenses that apply to this farm rental income. Instead, you may report the total farm rental expenses in Part II of this form.

Tenants must not use this form to report farm income and expenses. (Individuals use Schedule F (Form 1040).)

Line-by-line instructions for completing this form can be found on the back. For more details, see the Instructions for Schedule F (Form 1040).

***Note:** Fill in Part III to see if you were required to make estimated tax payments.*

Part I Gross Farm Rental Income—Based on Production

(Include amount converted to cash or the equivalent)

Kind		Amount
1 Cattle and calves		
2 Sheep		
3 Swine		
4 Poultry		
5 Dairy products		
6 Eggs		
7 Wool		
8 Cotton		
9 Tobacco		
10 Vegetables		
11 Soybeans		
12 Corn		
13 Other grains		
14 Hay and straw		
15 Fruits and nuts		
16 a Patronage dividends		▨
b **Less:** Nonincome items		▨
c Net patronage dividends		
17 Per-unit retains		
18 Agricultural program payments:		
a Cash		
b Materials and services		
19 Commodity credit loans under election (or forfeited)		
20 Federal gasoline tax credit		
21 State gasoline tax refund		
22 Crop insurance proceeds		
23 Other (specify):		
24 **Gross farm rents** (add lines 1 through 23) ▶		

Part II Deductions—Farm Rental Property

(Exclude personal and living expenses)

Items	Amount
25 a Labor hired (see Schedule F Instructions)	
b Jobs credit	
c Subtract line 25b from line 25a	
26 Repairs, maintenance	
27 Interest	
28 Rent of farm, pasture	
29 Feed purchased	
30 Seeds, plants purchased	
31 Fertilizers, lime, chemicals	
32 Machine hire	
33 Supplies purchased	
34 Breeding fees	
35 Veterinary fees, medicine	
36 Gasoline, fuel oil	
37 Storage, warehousing	
38 Taxes	
39 Insurance	
40 Utilities	
41 Freight, trucking	
42 Conservation expenses	
43 Land clearing expenses	
44 Pension and profit-sharing plans (see Schedule F Instructions)	
45 Employee benefit programs other than line 44 (see Schedule F Instructions)	
46 Other (specify):	
47 Add lines 25c through 46	
48 Depreciation, including Section 179 expense deduction (from Form 4562)	
49 **Total deductions** (add lines 47 and 48) ▶	

50 Net farm rental profit or (loss) (subtract line 49 from line 24). If a profit, enter here and on Schedule E (Form 1040), Part I, line 24. If a loss, go on to line 51 before you enter the loss here and on Schedule E (Form 1040)

51 If you have a loss, do you have amounts for which you are not "at risk" in this farm (see Instructions for Schedule F)? ☐ Yes ☐ No
If you checked "No," enter the loss on Schedule E, Part I, line 24.

For Paperwork Reduction Act Notice, see back of Form 4835.

Form **4835** (1982)

Part III Gross Income From Farming or Fishing—

When to Use: Complete this part to see if two-thirds of your gross income is from farming or fishing for 1981 or 1982.

Enter your share of income from the sources below for either 1981 or 1982. If the total is at least two-thirds of your gross income, the penalty for failure to pay estimated tax will not apply if you file your tax return, and pay the tax due, by March 1, 1983.

Source(s)	Your share of gross farming or fishing income
52 Estate(s) and trust(s) (enter only the pro rata share of your distributable net taxable income that is from farming or fishing)	
53 Farming (Schedule F, Form 1040)	
54 Fishing (Schedule C, Form 1040)	
55 Gross farm rents from Part I, line 24	
56 Partnership(s)	
57 Sale of livestock held for draft, breeding, sport or dairy purposes (Form 4797)	
58 **Total** (add lines 52 through 57)	

Line-by-Line Instructions

Paperwork Reduction Act Notice—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

PART I.—Gross Farm Rental Income—Based on Production

Lines 1 through 15

For each kind of livestock and crop, report income you received based on production. Include amounts converted to cash or the equivalent.

Line 16

Patronage dividends are profits from a farming co-op. See Schedule F instructions.

Line 17

Per-unit retains are amounts held for you by a farming co-op. See Schedule F instructions.

Lines 18 through 23

Include agricultural program payments, certain loans, credits and refunds, and other payments.

PART II.—Deductions—Farm Rental Property

Lines 25 through 46

Report expenses listed. Do not include personal and living expenses.

Line 48

Use **Form 4562**, Depreciation and Amortization, to figure your depreciation deduction. If you are choosing to expense certain recovery property (section 179), also use Form 4562 to figure this deduction. For more information on depreciation and the election to expense certain recovery property, see Schedule F instructions.

Enter on line 48 of Form 4835 the amount of the deduction from Form 4562, Part I.

PART III.—Gross Income From Farming or Fishing

Fill in Part III to see if two-thirds of your gross income in 1981 or 1982 is from farming or fishing. For more information, get **Publication 225**, Farmer's Tax Guide.

Form **4868**
Department of the Treasury
Internal Revenue Service (X)

Application for Automatic Extension of Time to File U.S. Individual Income Tax Return

OMB No. 1545-0188
1982
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Please Print or Type	Your first name and initial (if joint return, also give spouse's name and initial)	Last name	Your social security number
	Present home address (Number and street, including apartment number, or rural route)		Spouse's social security no.
	City, town or post office, State, and ZIP code		

Note: *File this form with the Internal Revenue Service Center where you must file your income tax return and pay the amount shown on line 6 below.* ***This is not an extension of time for payment of tax.*** *You will be charged a penalty for late payment of tax and late filing unless you show reasonable cause for not paying or filing on time (see instructions).*

If you expect to file a gift tax return (Form 709 or Form 709–A) for 1982 due by April 15, 1983, check this box ☐.

I request an automatic 4-month extension of time to August 15, 1983, to file Form 1040 for the calendar year 1982 (or if a fiscal year return to ...., 19......., for the tax year ending ...., 19........).

1 Total income tax liability for 1982 (*You may estimate this amount.*) **Note:** *You* ***must*** *enter an amount on line 1. If you do not expect to owe tax, enter zero (0).*		1	
2 Federal income tax withheld	2	▨	
3 1982 estimated tax payments (include 1981 overpayment allowed as a credit)	3	▨	
4 Other payments and credits you expect to show on Form 1040	4	▨	
5 Add lines 2, 3, and 4		5	
6 Income tax balance due (subtract line 5 from line 1). Pay in full with this form ▶		6	
7 Total gift tax you expect to owe for 1982 (see instructions) ▶		7	

If you send only one check for both income and gift tax due, attach a statement showing how much of the check applies to each type of tax.

Signature and Verification

If Prepared by Taxpayer.—Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Your signature .... Date ....

Spouse's signature (if filing jointly, BOTH must sign even if only one had income) .... Date ....

If Prepared by Someone Other Than Taxpayer.—Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature of preparer other than taxpayer .... Date ....

Note: *The person who signs this form may be an attorney or certified public accountant qualified to practice before the IRS, a person enrolled to practice before the IRS, or a person holding a power of attorney. If the taxpayer cannot sign because of illness, absence, or other good cause, a person in a close personal or business relationship to the taxpayer may sign this form.*

For Paperwork Reduction Act Notice, see back of form. Form **4868** (1982)

General Instructions

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose.—Use Form 4868 to ask for an automatic 4-month extension of time to file Form 1040. Do not request an automatic extension if:

- You want the IRS to figure your tax, or
- You are under a court order to file your return by the regular due date.

The extension will be granted if you complete this form properly, file it on time, **and pay with it the amount of tax shown on line 6.** We will notify you **only** if your request for an extension is denied.

Note: *Any extension of time granted for filing your 1982* **calendar** *year income tax return also extends the time for filing a gift tax return for 1982 due by April 15, 1983.*

When to File.—File Form 4868 by April 15, 1983. If you are filing a fiscal year return, file Form 4868 by the regular due date of Form 1040. If the due date falls on a Saturday, Sunday, or legal holiday, file by the next regular workday.

You may file Form 1040 any time before the 4-month period ends.

Filing Form 2688.—Except in cases of undue hardship, we will not accept Form 2688, Application for Extension of Time to File U.S. Individual Income Tax Return, until you have first used Form 4868.

If you have filed Form 4868 and still need more time, use Form 2688 or write a **letter of explanation. You must show reasonable cause. Send Form 2688 or the letter to the Internal Revenue Service Center where you file your Form 1040. (See Where** to File, below.)

If you need a further extension, ask for it early so that, if denied, you can still file your return on time.

Where to File.—Mail this form to the **Internal Revenue Service Center** for the place where you live.

If you are located in:	Use this address:
New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester	Holtsville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05501
Delaware, Maryland, District of Columbia, Pennsylvania	Philadelphia, PA 19255
Alabama, Florida, Georgia, Mississippi, South Carolina	Atlanta, GA 31101
Michigan, Ohio	Cincinnati, OH 45999
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
Illinois, Iowa, Missouri, Wisconsin	Kansas City, MO 64999
California, Hawaii	Fresno, CA 93888
Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia	Memphis, TN 37501
American Samoa	Philadelphia, PA 19255
Guam	Commissioner of Revenue and Taxation Agana, GU 96910
Puerto Rico (or if excluding income under section 933) Virgin Islands: Nonpermanent residents	Philadelphia, PA 19255
Virgin Islands: Permanent residents	Department of Finance, Tax Division Charlotte Amalie, St. Thomas, VI 00801
A.P.O. or F.P.O. address of:	Miami—Atlanta, GA 31101 New York—Holtsville, NY 00501 San Francisco—Fresno, CA 93888 Seattle—Ogden, UT 84201
Foreign country: U.S. citizens and those excluding income under section 911 or 931, or claiming the housing deduction under section 911	Philadelphia, PA 19255

Penalties.—You may be charged one or both of the following penalties.

Late payment penalty.—Form 4868 does not extend the time to pay income or gift tax. A penalty of ½ of 1% of any tax (other than estimated tax) not paid by the regular due date is charged for each month, or part of a month, that the tax remains unpaid. The penalty will not be charged if you can show reasonable cause for not paying on time. The penalty is limited to 25%.

You are considered to have reasonable cause for the period covered by this automatic extension if the amount you owe on Form 1040, line 71 (minus any estimated tax penalty):

- Is not more than 10% of the amount shown as total tax on Form 1040, line 59, and
- Is paid with Form 1040.

If both of the above conditions are not met, the late payment penalty will apply, unless you show reasonable cause.

If you have reasonable cause, attach a statement to Form 1040 giving your reason.

If you cannot show reasonable cause, figure the penalty on the total tax due on Form 1040, line 71, from the regular due date of Form 1040 to the date of payment.

Late filing penalty.—A penalty is charged if your return is filed after the due date (including extensions), unless you can show reasonable cause for filing late. The penalty is 5% of the tax not paid by the regular due date for each month, or part of a month, that your return is late, but not more than 25%. If your return is more than 60 days late, the penalty will not be less than $100 or 100% of the balance of tax due on your return, whichever is smaller. If you file your return late, attach a full explanation with the return.

Interest.—Interest is charged from the regular due date of the return until the tax is paid. It will be charged even if:

- You have been granted an extension, or
- You show reasonable cause for not paying the tax.

When You File Your Form 1040.—If you owe any interest or penalties when you file your Form 1040, see **Reminders** on page 17 of the Form 1040 instructions for how to report these items.

Line-by-Line Instructions

At the top of this form, fill in the spaces for your name, address, social security number, and spouse's social security number if you are filing a joint return. If you expect to file a gift tax return (Form 709 or Form 709–A) for 1982 due by April 15, 1983, check the box on the front of this form. Below that, if you are on a fiscal year, fill in the date on which your 4-month extension will end and the date your tax year ends.

We have provided specific instructions for most of the lines on the form. Those lines that do not appear in these instructions are self-explanatory.

Line 1.—Enter the amount of income tax you expect to owe for 1982 (the amount you expect to enter on Form 1040, line 59, when you file your return). Be sure to estimate the amount correctly. If you underestimate this amount, you may be charged a penalty as explained earlier under **Penalties.**

Line 6.—An extension of time to file your income tax return will not extend the time to pay your income tax. Therefore, you must pay the amount of income tax shown on line 6 in full with this form.

Line 7.—If you plan to use the extension of time to file your gift tax return enter the amount of gift tax you expect to owe for 1982. To avoid the failure to pay penalty, you must pay this amount in full with Form 4868 unless you specifically request an extension to pay the gift tax. To request an extension to pay the gift tax only, you must attach a statement to this form that paying the gift tax on the due date would cause you undue hardship (not merely inconvenience).

If your spouse is filing a separate Form 4868, enter on your form only the total gift tax **you** expect to owe.

If you are filing Form 4868 with your spouse, enter on line 7 the total gift tax the two of you expect to owe. However, if each of you expects to file a gift tax return, also show in the space to the right of line 7 how much gift tax each expects to owe for 1982.

Below line 7, sign and date the form. If someone else prepares the form for you, that person must sign and date the form.

How to Claim Credit for Payment Made With This Form.—Enter on Form 1040, line 63, the amount paid (line 6) with this form.

If you and your spouse file a joint Form 4868 for 1982, but file separate income tax returns for the year, you may claim the total tax payment (line 6) on your separate return or on your spouse's separate return or you may divide it in any agreed amounts. Be sure to enter the social security numbers of both spouses on the separate Form 1040 returns.

If you and your spouse file separate Forms 4868 for 1982, but file a joint income tax return for the year, enter on Form 1040, line 63, the total of the amounts paid on the separate Forms 4868. Also enter the social security numbers of both spouses in the spaces on Form 1040.

Form **4952**
Department of the Treasury
Internal Revenue Service

Investment Interest Expense Deduction

▶ See instructions on back.
▶ Attach to Form 1040 (or Form 1041)

OMB No. 1545-0191
1982
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Name(s) as shown on return | Identifying number

Kind of return . . . . ▶ ☐ Individual ☐ Estate ☐ Trust

Part I Interest on Investment Debts Incurred Before December 17, 1969

Note: *Use Part I only if you have investment interest expense on debts incurred before December 17, 1969, and on debts incurred on or after that date.*

1 Interest expense on investment debts incurred before December 17, 1969 1
2 Total net investment income 2
3 Net investment income allocable to the period before December 17, 1969: $\frac{\text{Line 1}}{\text{Line 1 + Line 7 + Line 15 + Line 27}}$ × Line 2 . . 3
4 Subtract line 3 from line 2—Enter here and on line 10(a) 4

Part II Interest on Investment Debts Incurred After September 10, 1975

5 Interest expense on investment debts incurred after September 10, 1975 5
6 Carryover—Enter amount from 1981 Form 4952, line 14 6
7 Total investment interest expense (add lines 5 and 6) 7
8 (a) Individuals enter $10,000 ($5,000 if married filing separately) 8a
(b) Additional limitation 8b
9 Estates enter $10,000; trusts enter zero 9
10 (a) Total net investment income (amount from line 4 if Part I is used) 10a
(b) $\frac{\text{Line 7}}{\text{Line 7 + Line 15 + Line 27}}$ × Line 10(a) 10b
11 Excess expenses from "net lease property" 11
12 Limitation on deduction (add lines 8(a), (b), 9, 10(b) and 11) 12
13 Allowable investment interest deduction—Enter the smaller of line 7 or line 12 (see instructions) . . . 13
14 Disallowed investment interest to be carried over to 1983 (subtract line 13 from line 7) 14

Part III Interest on Investment Debts Incurred Before September 11, 1975, and After December 16, 1969

15 Interest expense on investment debts incurred before September 11, 1975, and after December 16, 1969 . 15
16 Individuals enter $25,000 ($12,500 if married filing separately) 16
17 Estates enter $25,000; trusts enter zero 17
18 Net investment income (subtract line 10(b) from line 10(a)) 18
19 Excess expenses from "net lease property" 19
20 Net long-term capital gain minus net short-term capital loss from sale or exchange of property held for investment 20
Note: *To adjust this gain on Schedule D or Form 4798, see Schedule D (Form 1040) instructions, page 23.*
21 Tentative limitation (add lines 16 through 20) 21
22 Subtract line 21 from line 15. If line 21 is more than line 15, enter zero 22
23 Additional deduction (50% of line 22) 23
24 Limitation on deduction (add lines 21 and 23) 24
25 Allowable investment interest deduction—Enter the smaller of line 15 or line 24 (see instructions) . . . 25
26 Disallowed investment interest to be carried over to 1983 (subtract line 25 from line 15) 26

Part IV Investment Interest Expense Carryover From Earlier Years—Incurred Before September 11, 1975

27 Carryover—Enter the sum of the amounts from 1981 Form 4952, lines 26 and 35 27
28 Enter amount reportable on line 18 plus $25,000* 28
29 Enter the larger of line 15 or $25,000* 29
30 Subtract line 29 from line 28. If line 29 is more than line 28, enter zero . . . 30
31 Enter 50% of line 30 31
32 Allowable investment interest deduction (enter the smaller of line 27 or line 31) 32
33 Interest carryover from earlier years disallowed in 1982 (subtract line 32 from line 27) 33
34 Enter the 60% capital gain deduction from your 1982 Schedule D or 1982 Form 4798 34
35 Interest carryover to 1983 (subtract line 34 from line 33) 35

*$12,500, if married filing separately; zero, if a trust.

For Paperwork Reduction Act Notice, see back of form.

General Instructions

(Section references are to the Internal Revenue Code)

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form.—If you paid or accrued interest during 1982 on debts you incurred to buy or hold investment property, the amount of interest you can deduct may be limited. Property held for investment includes all investments held for producing taxable income or gain. This includes rental property that is net lease property. It does not include other property used in a trade or business.

Use Form 4952 to figure your total deduction for investment interest expense if a, b, or d apply.

a. Fill in Part II if in 1982, you paid or accrued more than $10,000 in interest ($5,000 if married filing separately; zero if a trust) on investment debts incurred after September 10, 1975.

b. Fill in Part III if in 1982, you paid or accrued more than $25,000 in interest ($12,500 if married filing separately; zero if a trust) on investment debts incurred before September 11, 1975, and after December 16, 1969.

c. Fill in Part I if in 1982, a, b, or d applies, and you also paid or accrued interest on investment debts incurred before December 17, 1969.

d. Fill in Part IV if in 1981, you had interest from Parts III or IV not allowed due to the limitations.

Source of Amounts to Include.—

a. Your own investment interest expense and offset items.

b. Partnership.—Your pro-rata share of the partnership's investment interest expense and other items used in the computation, as reported on the Schedule K–1 (Form 1065) that you get from the partnership.

c. Subchapter S Corporation.—Your prorata share of the corporation's investment interest expense and other items used in the computations, as reported on the Schedule K–1 (Form 1120S) that you get from the corporation.

d. Estates and trusts.—When there is distributable net income, include your share of: (1) the net investment income, and (2) the excess of net long-term capital gain over net short-term capital loss from the sale or exchange of investment property.

Net lease property.—Rental income is to be considered trade or business income unless it is from net lease property. Then it is treated as investment income. Rental property is net lease property if:

(a) You (the lessor) either are guaranteed a specific return of income or are guaranteed in whole or in part against loss of income; or

(b) Your 1982 deductions for the property that are allowable **only** because of section 162 (except rents and reimbursed amounts) are less than 15% of the rental income produced by the property. For this 15% test, you may elect to: (1) treat all leased portions of a parcel of real property as subject to a single lease, and (2) exempt real property that has been in use for more than 5 years.

In figuring your section 162 deduction for purposes of (b), do not include expenses such as depreciation, taxes, interest, etc.

Line-By-Line Instructions

Identifying Number.—Individuals should enter their social security number. Estates and trusts should enter their employer identification number.

Preparing Form 4952.—First complete lines 1, 5 through 7, 15, and 27. Then complete the form in numerical sequence starting with line 2, if applicable.

Line 1.—Enter your total investment interest expense from all sources, on debts created before December 17, 1969, from a specific item of property for a specified term. Also include debts in existence after December 16, 1969, if a binding contract was in effect on that date. Enter only the interest you paid or accrued in 1982, depending on your method of accounting.

Lines 2, 10, and 18.—Enter your net investment income from all sources required to be reported on your Form 1040 or 1041 for 1982. This cannot be less than zero.

If you have an entry on line 1 and had net investment income in 1982, complete lines 2, 3, and 4. Then enter the figure from line 4 on line 10(a). If you do not have an entry on line 1, enter your total net investment income on line 10(a).

Allocate your net investment income for the periods before December 17, 1969, before September 11, 1975 and after December 16, 1969, and after September 10, 1975. The formulas on lines 3 and 10(b) are for this purpose.

Net investment income is the amount by which investment income exceeds investment expenses. Investment income and expenses do not include any amounts connected with a trade or business.

Investment income includes the following that are includible in gross income: Interest, dividends, rents from net lease property, royalties, net short-term capital gains from investment property, and amounts recaptured as ordinary income from the sale or exchange of investment property subject to sections 1245, 1250 and 1254.

Investment expenses are those deductions directly connected with the production of investment income. Interest is not included in investment expenses for this purpose. Depreciation is limited to the amount figured using the straight line method. Depletion is limited to an amount based on cost.

Line 5.—Enter your total investment interest expense from all sources, from obligations incurred after September 10, 1975. Do not include those obligations for which a binding contract was in effect on September 11, 1975. Enter only the interest you paid or accrued in 1982, depending on your method of accounting.

Lines 6 and 27.—Enter interest disallowed in 1981 because of the limitations. It retains its same character. For example, treat interest on investment debts incurred after September 10, 1975 when carried over as if it was incurred after that date and subject to the same limitations.

Line 8(a).—Individuals enter $10,000 ($5,000 if married filing separately).

Line 8(b).—If you incurred investment interest in connection with acquiring stock in a corporation or partnership interest and you, your spouse and children own 50% or more of the stock or the capital interest in that enterprise, enter the smaller of $15,000 ($7,500 if married filing separately) or the amount of this interest.

Lines 11 and 19.—Excess expenses from net lease property is the amount by which the expenses allowable under sections 162, 163 (without any reduction for the limitations of section 163(d)), 164(a)(1) or (2), and 212 attributable to property subject to a net lease, are more than the income produced by this property.

Lines 13 and 25.—This is the allowable investment interest expense. Deduct the nonbusiness part as an itemized deduction on Schedule A (Form 1040). Show the allowable part from rental property on Schedule E (Form 1040), Part I.

Deduct the pro-rata share of allowable investment interest from a partnership on Schedule E (Form 1040), Part II, unless the partnership notifies you that all or part of it relates to nonbusiness property. That part should be deducted on Schedule A (Form 1040).

Add the pro-rata share of disallowed investment interest from a subchapter S corporation to the distributive share of income as reported on Schedule E (Form 1040), Part II. Do not make an adjustment for the allowable part since the corporation has already deducted it.

Estates and trusts should deduct the allowable part of investment interest on Form 1041, line 11.

Figure the allowable parts for each of the above by the following formula:

$$\frac{\text{Part of investment interest}}{\text{Total investment interest}} \times \text{Total allowable investment interest}$$

All interest on investment debts incurred before December 17, 1969 is allowed without limitation.

Lines 14 and 26.—This is the disallowed investment interest. If you incurred any investment interest from a subchapter S corporation, allocate this amount by using the formula in the instructions for lines 13 and 25. Substitute the amount on lines 14 and 26 for the allowable investment interest in that formula.

Line 15.—Enter your total investment interest expense from all sources, from a specific item of property for a specified term, and from debts incurred before September 11, 1975, and after December 16, 1969. Also include obligations incurred after September 10, 1975, but subject to a written contract or commitment in effect on September 11, 1975. Enter only the interest you paid or accrued in 1982, depending on your method of accounting.

Line 32.—Enter the smaller of lines 27 or 31. This is the investment interest from earlier years that is allowable this year. Allocate this amount according to the formula in the instructions for lines 13 and 25. Use the percentages obtained in years in which the carryovers were created.

Form **4970**

Department of the Treasury
Internal Revenue Service

Tax on Accumulation Distribution of Trusts

▶ Attach to beneficiary's tax return

OMB No. 1545-0192

1982

74

Name(s) as shown on return

Social security number

Name and address of trust

Identifying number

Type of trust ☐ Domestic ☐ Foreign

Beneficiary's date of birth

Enter number of accumulation distributions received this year . . . . ▶

Part I Average Income and Determination of Computation Years

1 Part of current distribution that is considered distributed in earlier tax years. (From Schedule J (Form 1041), line 36, column a.) (see Instructions) . . . .

2 Distributions of income accumulated before you were born or reached age 21. (see Instructions) . . . . .

3 Subtract line 2 from line 1 . . . .

4 Taxes imposed on the trust on amounts from line 3. (From Schedule J (Form 1041), line 36, column b.) (see Instructions) . . . .

5 Total (add lines 3 and 4) . . . .

6 Tax-exempt interest included on line 5. (From Schedule J (Form 1041), line 36, column c.) . . . .

7 Taxable part of line 5 (subtract line 6 from line 5) . . . .

8 Number of trust's earlier tax years in which amounts on line 7 are considered distributed (see Instructions) . .

9 Average amount considered distributed (divide line 3 by line 8) . . . .

10 Enter 25% of line 9 . . . .

11 Number of years on line 8 in which amount considered distributed is not less than the amount on line 10 . .

12 Average amount for recomputing tax (divide line 7 by line 11). Enter here and in each column on line 15 . . .

	1981	1980	1979	1978	1977
13 Enter your taxable income before this distribution for the 5 immediately prior tax years (see Instructions) . .					

Part II Computation of Tax Attributable to the Accumulation Distribution

	(a) 19....	(b) 19....	(c) 19....
14 Enter the amounts from line 13, eliminating the highest and lowest taxable income years			
15 Enter amount from line 12 in each column			
16 Recomputed taxable income (add lines 14 and 15)			
17 Income tax on amounts on line 16 (see Instructions)			
18 Income tax before credits on line 14 income (see Instructions)			
19 Additional tax before credits (subtract line 18 from line 17)			
20 Tax credit adjustment (see Instructions)			
21 Subtract line 20 from line 19			
22 Minimum and alternative minimum tax adjustments (see Instructions) .			
23 Combine lines 21 and 22			

24 Add columns (a), (b), and (c), line 23 . . . .

25 Divide the amount on line 24 by three . . . .

26 Multiply the amount on line 25 by the number of years on line 11 . . . .

27 Enter the amount from line 4 . . . .

28 Partial tax (subtract line 27 from line 26. If line 27 is more than line 26, enter zero) . . . .

29 Interest charge on accumulation distribution from foreign trusts (see Instructions) . . . .

30 Add lines 28 and 29 (see Instructions) . . . .

For Paperwork Reduction Act Notice, see back of Form 4970.

Form **4970** (1982)

General Instructions

(Section references are to the Internal Revenue Code unless otherwise noted.)

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form.—Use this form to figure the partial tax under section 667 on an accumulation distribution made by a trust in the current tax year. See section 665(b) for the definition of an accumulation distribution. If the distribution is from a foreign trust, see sections 667(d) and 904(f)(5).

Under the throwback rules, accumulation distributions are treated as if they had been distributed to you in the years when the income was accumulated by the trust. See sections 665 and 666 for more information on the throwback rules for domestic and foreign trusts.

These throwback rules apply even if you would not have been entitled to receive a distribution in the earlier tax year if the distribution had actually been made then.

You figure the partial tax to determine the tax attributable to the distribution by averaging the distribution over the number of years in which the trust earned income.

If you received accumulation distributions from more than one trust during the current tax year, prepare a separate Form 4970 for each accumulation distribution you received. You can arrange the distributions in any order you want them considered to have been made.

Line-by-Line Instructions

Part I—Average Income and Determination of Computation Years

Line 1.—Enter the amount distributed in the current year that represents the undistributed net income of a domestic or foreign trust considered to have been distributed in earlier tax years.

Line 2.—Enter the part of the amoun[illegible] in line 1 that represents undistributed n[illegible] income of a domestic trust considered [illegible] have been distributed before you were bor[illegible] or reached age 21. However, if the multiple trust rule applies (see the instructions for line 4 below), see section 665(b).

Line 4.—Except as noted later under **Special Rule for Multiple Trusts,** enter on line 4 the Federal income taxes (not including any minimum or alternative minimum tax) charged for any earlier tax year on the trust that are attributable (under sections 666(b) and (c)) to the net income reported on line 3. If the trust is a foreign trust, see section 665(d).

Special Rule for Multiple Trusts.—If you received accumulation distributions from two or more other trusts that were considered to have been made in any of the earlier tax years from which the current accumulation distribution is considered to have been made, do not include on line 4 the taxes attributable to the current accumulation distribution considered to have been distributed in the same earlier tax year(s).

For this special rule only count as trusts those trusts for which the sum of this accumulation distribution and any earlier accumulation distributions from the trust, which are considered under section 666(a) to have been distributed in the same earlier tax year, is $1,000 or more.

Line 8.—Enter the number of the trust's earlier tax years in which the accumulation distribution is considered to have been made. You must know the specific earlier tax years of the trust in which the amounts are considered to have been made to complete line 11.

Line 13.—Enter your taxable incomes for years 1977–1981, even if less than five years of the trust had accumulated income after the beneficiary became 21. Use the taxable income as reported, amended by you, or as changed by IRS. Include in the taxable income amounts considered distributed as a result of prior accumulation distributions whether from the same or another trust, and whether made in an earlier year or the current year.

If you are not an individual, and your taxable income as adjusted is less than zero, enter zero.

If you are an individual, and your taxable income, as adjusted, for 1977–1981 is less than your zero bracket amount, enter your zero bracket amount.

Part II—Computation of Tax Attributable to the Accumulation Distribution

Line 17.—Figure the income tax (not including any minimum tax or alternative minimum tax) on the income on line 16 using the tax rates in effect for your particular earlier tax year shown in each of the three columns. You may use the Alternative Tax Computation, Tax Rate Schedules, etc., as applicable. You can get the Tax Rate Schedules and earlier year forms from most IRS offices. If you are a nonresident alien or a foreign corporation, see section 667(d) and (e).

Line 18.—Enter your income tax (not including any minimum tax or alternative minimum tax) as originally reported, corrected, or amended, before reduction for any credits for your particular earlier year shown in each of the three columns.

Line 20.—Nonrefundable credits that are limited to tax liability, such as investment credit, may be changed because of an accumulation distribution. If the total allowable credits for any of the three computation years increases, enter the increase on line 20. However, do not treat as an increase the part of the credit that was allowable as a carryback or carryforward credit in the current or any preceding year other than the computation year.

To recompute these credits, you must consider changes to the tax before credits for each of the three computation years due to previous accumulation distributions.

Attach the proper form for any credit you recompute. The amount determined for items on this line is limited to tax law provisions in effect for those years involved.

Line 22.—Use a separate Form 4625 and Form 6251 to recompute the minimum and alternative minimum tax for each earlier year and show any change in those taxes in the bottom margin of the forms. Enter the adjustments on this line. Attach Forms 4625 and 6251 to this form.

Line 28.—For estate taxes on the estates of decedents dying after December 31, 1979, and taxes on generation-skipping transfers made after June 11, 1976, reduce the partial tax by the estate tax or generation-skipping transfer tax attributable to the accumulated income. See section 667 (b)(6) for the computation.

Line 29.—For an accumulation distribution from a foreign trust, an interest charge must be added to the partial tax. This interest charge is not deductible under any section and is figured as follows:

(1) Figure 6% of line 28.

(2) Total the number of years from the year(s) of allocation to the year of distribution (including the year of allocation, but not the year of distribution).

(3) Divide the number in step (2) by the total years of allocation (line 8).

(4) Multiply the answer in step (1) by the decimal in step (3).

(5) Subtract line 28 from line 1. This is the maximum interest.

(6) Enter on line 29 the amount from step (4) or step (5), whichever is less.

If this form is not being used for distributions from a foreign trust, enter zero on line 29.

Line 30.—Add lines 28 and 29. Enter the result on Form 1040, line 39. If you are not an individual, add the result to the total tax liability before credits on your income tax return for the year of the accumulation distribution. Attach this form to that return.

Form **4972**
Department of the Treasury
Internal Revenue Service

Special 10-Year Averaging Method
(For Total Distribution from Qualified Retirement Plan)
▶ Attach to Form 1040 or Form 1041. ▶ See separate instructions.

OMB No. 1545-0193
1982
75

Name(s) as shown on return

Identifying number

By checking this box ▶ ☐, I agree, for this and all other lump-sum distributions I receive for the same employee, not to treat any part as capital gain. I know this decision cannot be changed. (See Instruction F.)

Part I **Use Part I if You Have Not Filed Form 4972 for Any Year after 1976**

1	Capital gain part from payer's statement (Form 1099R, box 2)			1	
	If you are using the 10-year averaging method for the capital gain from the distribution as well as for the ordinary income, leave line 1 blank and include the capital gain on line 2 (see instruction F). Otherwise, enter the capital gain from your payer's statement (Form 1099R, box 2). If you are filing Schedule D and cannot take the exclusion on line 4 below or do not havo to decrease the capital gain for Federal estate tax, enter the capital gain on your Schedule D also. See the separate instructions for line 1.			▨	
2	Ordinary income part from payer's statement (Form 1099R, box 3). Enter here instead of on Form 1040 or Form 1041			2	
3	Add lines 1 and 2			3	
4	Death benefit exclusion (see instructions for line 4)			4	
5	Total taxable amount (subtract line 4 from line 3)			5	
6	Current actuarial value of annuity, if applicable (from Form 1099R, box 9)			6	
7	Adjusted total taxable amount (add lines 5 and 6). If this amount is $70,000 or more, skip lines 8 through 11, and enter this amount on line 12 also			7	
8	50% of line 7, but not more than $10,000		8	▨	
9	Subtract $20,000 from line 7. Enter difference. If line 7 is $20,000 or less, enter zero	9	▨	▨	
10	20% of line 9		10	▨	
11	Minimum distribution allowance (subtract line 10 from line 8)			11	
12	Subtract line 11 from line 7			12	
13	Federal estate tax attributable to lump-sum distribution. Do not deduct on Form 1040 or Form 1041 the amount entered on this line that is attributable to the ordinary income entered on line 2. (See instructions for line 13)			13	
14	Subtract line 13 from line 12			14	
15	$2,300 plus 10% of line 14			15	
16	Tax on amount on line 15. Use Tax Rate Schedule X (Single Taxpayer Rate) in Form 1040 Instructions .			16	
17	Multiply line 16 by 10. If no entry on line 6, skip lines 18 through 23, and enter this amount on line 24 also			17	
18	Divide line 6 by line 7 (carry percentage to four places)			18	%
19	Multiply line 11 by percentage on line 18			19	
20	Subtract line 19 from line 6			20	
21	$2,300 plus 10% of line 20			21	
22	Tax on amount on line 21. Use Tax Rate Schedule X (Single Taxpayer Rate) in Form 1040 Instructions .			22	
23	Multiply line 22 by 10			23	
24	Subtract line 23 from line 17			24	
25	Divide line 2 by line 3 (carry percentage to four places)			25	%
26	Tax on ordinary income part of lump-sum distribution (multiply line 24 by percentage on line 25). Show this amount on Form 1040, line 39, or Form 1041, line 26b			26	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4972** (1982)

Part II Use Part II if You Filed Form 4972 for Any Other Year After 1976 or if You Received an Annuity Contract after 1976

			(a) Total received 1982	(b) Total received after 1976 and before 1982	(c) Total of columns (a) and (b)
1	Capital gain part from payer's statement (Form 1099R, box 2) . . . . *If you are using the 10-year averaging method for the capital gain from the distribution as well as for the ordinary income, leave line 1 blank and include the capital gain on line 2 (see instruction F). Otherwise, enter the capital gain from your payer's statement (Form 1099R, box 2). If you are filing Schedule D and cannot take the exclusion on line 4 below or do not have to decrease the capital gain for Federal estate tax, enter the capital gain on your Schedule D also. See separate instructions for line 1.*	1			
2	Ordinary income part from payer's statement (Form 1099R, box 3). Enter here instead of on Form 1040 or Form 1041	2			
3	Add lines 1 and 2	3			
4	Death benefit exclusion (see instructions for Part I, line 4)	4			
5	Total taxable amount (subtract line 4 from line 3) . . .	5			
6	Current actuarial value of annuity if applicable (from Form 1099R, box 9)	6			

7 Adjusted total taxable amount (add lines 5 and 6, column (c)). If this amount is $70,000 or more, skip lines 8 through 11, and enter this amount on line 12 also 7

8 50% of line 7, but not more than $10,000 8

9 Subtract $20,000 from line 7. Enter difference. If line 7 is $20,000 or less, enter zero 9

10 20% of line 9 10

11 Minimum distribution allowance (subtract line 10 from line 8) 11

12 Subtract line 11 from line 7 12

13 Federal estate tax attributable to lump-sum distribution. Do not deduct on Form 1040 or Form 1041 the amount entered on this line that is attributable to the ordinary income entered on line 2. (See instructions for Part I, line 13) 13

14 Subtract line 13 from line 12 14

15 $2,300 plus 10% of line 14 15

16 Tax on amount on line 15. Use Tax Rate Schedule X (Single Taxpayer Rate) in Form 1040 Instructions . 16

17 Multiply line 16 by 10. If no entry on line 6, skip lines 18 through 23, and enter this amount on line 24 also 17

18 Divide line 6, column (c), by line 7 (carry percentage to four places) . . . . 18 %

19 Multiply line 11 by percentage on line 18 19

20 Subtract line 19 from line 6, column (c) 20

21 $2,300 plus 10% of line 20 21

22 Tax on amount on line 21. Use Tax Rate Schedule X (Single Taxpayer Rate) in Form 1040 Instructions . 22

23 Multiply line 22 by 10 23

24 Subtract line 23 from line 17 24

25 Divide line 2, column (c), by line 3, column (c) (carry percentage to four places) . . . . 25 %

26 Tax on ordinary income parts of lump-sum distributions (multiply line 24 by percentage on line 25) . . 26

27 Tax on ordinary income part of lump-sum distribution shown on Form 4972, Part I, line 24 or Part II, line 26 for 1977 through 1981 27

28 Tax on ordinary income part of lump-sum distribution (subtract line 27 from line 26). Show this amount on Form 1040, line 39, or Form 1041, line 26b 28

1982 Department of the Treasury
Internal Revenue Service

Instructions for Form 4972

Special 10-Year Averaging Method

Paperwork Reduction Act Notice

The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

General Instructions

You may find Form 4972 helpful if you got a lump-sum distribution and can use the 10-year averaging method to figure some of your tax at a lower rate. With this method, the ordinary income part of the lump sum is taxed as if you were to get it in equal parts over 10 years.

Form 4972 is for use with Form 1040 (if you are filing an individual return) or Form 1041 (if you are filing for an estate or trust). Form 4972 is used for three purposes:

(1) To choose, by filing the completed form, to use the 10-year averaging method;

(2) To agree, by checking the box at the top of the form, not to treat as capital gain any part of any distribution you receive for the same employee (see Instruction F); and

(3) To figure tax with the 10-year averaging method.

Caution—You should use Form 4972 if you or the trust for which you are filing received the whole lump sum, or if only trusts shared it. If the lump sum was shared, but not all the recipients were trusts, **Form 5544, Multiple Recipient Special 10-Year Averaging Method,** should be used instead.

The payer should have given you a Form 1099R or other statement that shows the separate parts of your distribution. The amounts you will use in filling out Form 4972 are capital gain (box 2 of Form 1099R); ordinary income (box 3); and, if it applies the current actuarial value of an annuity (box 9). If you do not have a statement that shows this information, please ask the payer for one that does show it. Also, if applicable, get the Federal estate tax attributable to the taxable part of the lump-sum distribution from the person administering the deceased employee's estate.

If you do not use the 10-year averaging method, report the ordinary income part of the lump sum on Form 1040, line 16, or on Form 1041, line 9. Report the capital gain part less any attributable Federal estate tax on Schedule D or, if applicable, 40% of the result on Form 1040, line 14. Federal estate tax attributable to ordinary income is deductible as an itemized deduction if Form 1040 is filed or as a deduction on line 21 if Form 1041 is filed. Do not file Form 4972 unless you use the 10-year averaging method.

If you need more information, please see **Publication 575, Pension and Annuity Income.** This pamphlet is available from the Internal Revenue Service. For information about figuring tax on capital gains and annuities, see the instructions for your tax return.

If you are filing Form 1040, you may be able to use the general income averaging method, whether or not you use the 10-year averaging method for your lump-sum distribution. For more information, see the instructions for Schedule G (Form 1040) or see **Publication 506, Income Averaging,** which you can get from IRS.

A. Who Can Choose the 10-Year Averaging Method.—During the employee's lifetime, the employee chooses whether the 10-year averaging method will be used. After the employee's death, the recipient chooses.

B. Distributions That Qualify.—For you to use the 10-year averaging method, the lump sum must have been distributed under all the following circumstances.

(1) It came from a qualified pension, profit-sharing, or stock bonus plan.

(2) It came from all the employer's qualified plans of one kind (pension, profit-sharing, or stock bonus) in which the employee had funds.

(3) It was for the full amount credited to the employee. For this purpose, the balance to the credit of the employee does not include the accumulated deductible employee contributions under the plan.

(4) It was paid within a single tax year.

(5) It was paid in any of the following cases:

a. The employee died.

b. The employee was age 59½ or over at the time of the distribution.

c. The employee, who was a common-law employee, quit, retired, was laid off, or was fired from the job. A common-law employee is anyone who performs services that an employer has the right to control (what will be done and how) and whom the employer has the right to fire.

d. The self-employed individual became disabled as defined in section 72(m)(7) of the Internal Revenue Code.

C. Distributions That Do Not Qualify.—The following distributions do not qualify for the 10-year averaging method:

(1) U.S. Retirement Bonds distributed with the lump sum;

(2) any distribution made before the employee has been a participant in the plan for 5 tax years before the tax year of the distribution, unless it was paid because the employee died;

(3) any capital gain part of the distribution, unless it can be taxed as described in Instruction F;

(4) the current actuarial value of any annuity included in the lump sum (the payer's statement should show this amount, which you should use only to figure tax on the ordinary income part of the distribution);

(5) any distribution to an owner-employee which is subject to penalties under section 72(m)(5)(A) of the Internal Revenue Code; and

(6) a distribution from any other pension plan maintained by an employer if the recipient elected after December 31, 1978, to roll over a total distribution from the employer's money purchase plan into an Individual Retirement Account (IRA) or another qualified plan.

D. How Many Times the 10-Year Averaging Method Can Be Chosen.—This method can be chosen any number of times as long as the employee is under 59½ years old. It can be chosen for only one distribution if the employee is 59½ or over.

E. When to Choose.—You should use the 10-year averaging method for each tax year it applies. To choose this method, file Form 4972 with your original or amended return. Generally, you have 3 years from the due date of your tax return to choose this method.

F. Using the 10-Year Averaging Method for the Capital Gain Part.—If your distribution included both capital gain and ordinary income (the payer's statement shows the amount of each), you may make an election to treat the long-term capital gain part as ordinary income. Then you will be able to use the 10-year averaging method for both parts. This election is separate from the election for the 10-year averaging method. You have the same time to choose this election as you do to choose the 10-year averaging method. Once you make this election you may not change it, even if you later change your election of the 10-year averaging method.

The election to treat capital gain as ordinary income applies to all qualifying distributions you receive for a particular employee, but does not apply if you receive a distribution for someone else. You cannot use the 10-year averaging method for the capital gain part of a lump sum if you received another distribution for the same employee in an earlier year and any part of that distribution was taxed as a capital gain.

Using the 10-year averaging method for the capital gain part of your lump sum may not be to your advantage. Unless using it for both parts of the distribution does help you, or unless you used it for another distribution you received for the same employee, you should use it for the ordinary income part only. You would then figure tax on the capital gain part in the regular way. To see whether using the 10-year averaging method is better for you, figure the tax both ways and compare the results. When you figure, be sure to allow for the alternative minimum tax if it applies. The alternative minimum tax would be reported on Form 6251.

If you use the 10-year averaging method to figure the tax on the capital gain part of the lump sum as well as on the ordinary income part, check the box under your name at the top of Form 4972. Leave line 1 blank on the form, add the capital gain and ordinary income parts of the lump sum, and report the combined amount on line 2 of Form 4972. Do not include the capital gain part on Schedule D of the return you file.

Line-by-Line Instructions

In General

If you received more than one distribution, add them and figure the tax on the total amount.

If you are filing for a trust that shared the distribution only with other trusts, figure the tax on the whole lump sum first. The trusts then share the tax in the same proportion that they shared the distribution.

Part I

Use Part I if (1) 1982 is the first year after 1976 for which you are using the 10-year averaging method and (2) you have not received an annuity contract after 1976.

Line 1.—If you have no capital gain from the lump sum, or if you are using the 10-year averaging method to figure tax on the capital gain part (see Instruction F), skip to line 2.

Otherwise, enter on line 1 the capital gain from the payer's statement (Form 1099R, box 2) you received. The capital gain entered on line 1 is used only to figure the tax on the ordinary income part on a lump-sum distribution. You are not taxed twice on this capital gain. If none of the following paragraphs in this line instruction apply to you, also enter this amount on Schedule D (Form 1040), Part II, line 8, column g, if you are filing Form 1040, or Schedule D (Form 1041), Part II, line 7, column f, if you are filing Form 1041. Identify it as "capital gain from lump-sum distribution."

If you are filing Form 1040 and do not need Schedule D to report other capital gains or losses, enter 40% of your capital gain on Form 1040, line 14. To find the amount of capital gain to report if you can take the death benefit exclusion on Form 4972, line 4, see the next paragraph.

If you can take the death benefit exclusion on line 4, you will use less than the whole capital gain to figure the entry for Form 1040, line 14, or for Schedule D. To figure the part of the capital gain to use, follow these steps, using amounts from Form 4972: divide line 1 by line 3, and multiply the result by line 5. If you are filing Schedule D for Form 1040, enter the result on Part II, line 8, column g, and identify it as "capital gain from lump-sum distribution less exclusion." If you are not filing Schedule D, enter 40% of the result on Form 1040, line 14. If you are filing Schedule D for Form 1041, enter the result on Part II, line 7, column f, and identify it as "capital gain from lump-sum distribution less exclusion."

If you have an entry on line 13, you have to decrease the capital gain by the amount of Federal estate tax attributable to it. To figure this amount, subtract the percentage entered on line 25 from 100%. The result is the percentage of the distribution applicable to the capital gain. Multiply the amount of tax entered on line 13 by this percentage. The result is the Federal estate tax attributable to the capital gain. If you do not need to file Schedule D, subtract the tax from the capital gain and enter 40% of the result on Form 1040, line 14. If you are filing Schedule D, subtract the Federal estate tax as figured from the amount you would have entered in the gain column of the appropriate Schedule D. Identify as "capital gain from lump sum less Federal estate tax."

Line 2.—Enter the ordinary income part of your lump-sum distribution as it is shown on your payer's statement (Form 1099R, box 3). If you are using the 10-year averaging method for the capital gain part as well as the ordinary income part, you should have checked the box at the top of Form 4972 and skipped line 1; add boxes 2 and 3 from your payer's statement, and enter the total on line 2. Community property laws do not apply to figuring tax on the amount you report on line 2. Do not report on Form 1040 or 1041 any amount you report on line 2.

Line 4.—If you received the distribution because of the employee's death, you can exclude up to $5,000 of the lump sum from your gross income. If the trust for which you are filing shared the lump sum with other trusts, it will share the exclusion in the same proportion as it shared the distribution. This exclusion applies to the beneficiaries or estates of common-law employees only. **Publication 575** gives more information about the death benefit exclusion.

Line 13.—A beneficiary who receives a lump-sum distribution because of an employee's death that occurs after April 1, 1980, and who chooses to be taxed under the special 10-year averaging method must reduce the taxable part of the distribution by any Federal estate tax on the part included in the estate.

The reduction is made by entering the Federal estate tax attributable to the lump-sum distribution on line 13.

Do not deduct on Form 1040 or Form 1041 the amount entered on this line that is attributable to the ordinary income entered on line 2.

Lines 16 and 22.—To find the amounts to enter on lines 16 and 22, use Tax Rate Schedule X (Single Taxpayer Rate). It is printed in the instructions for Form 1040. Use Tax Rate Schedule X for this purpose no matter what method you use to figure the tax on your other income, and no matter whether you are filing Form 1041.

Lines 18 and 25.—Carry percentages to four places. For example, if you divide $10,000 by $30,000, the percentage would be 33.33 percent.

Part II

Use Part II if there was any other year after 1976 for which you used the 10-year averaging method for lump-sum distributions or during which you received an annuity contract.

To figure your 1982 tax with the 10-year averaging method, add these earlier distributions and annuity values to any that you received in 1982. Figure the tax on the total, and then subtract the tax you paid on the distributions in earlier years. The tax you subtract should have been figured and reported on Form 4972 for those years.

Use the line-by-line instructions for Part I to help you fill in Part II. The line numbering is the same.

Example I.—Using Form 4972 to Figure Tax on a Lump-sum Distribution with No Annuity.

In 1982, Mr. Smith retired from the X Corporation. He received a taxable $60,000 lump-sum distribution from its qualified plan. His Form 1099R from the payer of the plan shows $12,000 as ordinary income and $48,000 as capital gain.

Total taxable amount ($12,000 plus $48,000)		$60,000
Subtract minimum distribution allowance:		
Smaller of $10,000 or ½ of $60,000	$10,000	
Reduction ($60,000 less $20,000 multiplied by 20%)	8,000	2,000
Total taxable amount less minimum distribution allowance		$58,000
$2,300 plus 10% of $58,000		$ 8,100
Tax on $8,100 from Tax Rate Schedule X		$ 880
Tax on $8,100 multiplied by 10 ($880 multiplied by 10)		$ 8,800
Percentage of ordinary income to total taxable amount ($12,000 divided by $60,000)		20%
Tax on ordinary income part of lump-sum distribution ($8,800 multiplied by 20%)		$ 1,760

If Mr. Smith uses the 10-year averaging method for the capital gain part also, he would report $60,000 on Form 4972, line 2, and his tax would be $8,800 ($8,800 multiplied by 100%). He would not report the capital gain of $48,000 on Schedule D (Form 1040).

Example II.—Using Form 4972 to Figure Tax on a Lump-sum Distribution with an Annuity.

In 1982, Ms. Brown retired from the Y Corporation. She received a taxable $60,000 lump-sum distribution from its qualified plan. Her Form 1099R from the payer of the plan shows $12,000 as ordinary income, $18,000 as capital gain, and $30,000 as the current actuarial value of an annuity.

Total taxable amount ($12,000 plus $18,000)		$30,000
Add current actuarial value of annuity		30,000
Adjusted total taxable amount		$60,000
Subtract minimum distribution allowance:		
Smaller of $10,000 or ½ of $60,000	$10,000	
Reduction ($60,000 less $20,000 multiplied by 20%)	8,000	2,000
Adjusted total taxable amount less minimum distribution allowance		$58,000
$2,300 plus 10% of $58,000		$ 8,100
Tax on $8,100 from Tax Rate Schedule X		$ 880
Tax on $8,100 multiplied by 10 ($880 multiplied by 10)		$ 8,800
Percentage of current actuarial value of annuity to adjusted total taxable amount ($30,000 divided by $60,000)		50%
Minimum distribution allowance applicable to current actuarial value of annuity ($2,000 multiplied by 50%)		$ 1,000
Current actuarial value of annuity less minimum distribution allowance applicable to value of annuity ($30,000 less $1,000)		$29,000
$2,300 plus 10% of $29,000		$ 5,200
Tax on $5,200 from Tax Rate Schedule X		$ 400
Tax attributable to annuity ($400 multiplied by 10)		$ 4,000
Tax on adjusted total taxable amount less tax applicable to annuity ($8,800 less $4,000)		$ 4,800
Percentage of ordinary income part to total taxable amount ($12,000 divided by $30,000)		40%
Tax on ordinary income part of lump-sum distribution ($4,800 multiplied by 40%)		$ 1,920

If Ms. Brown uses the 10-year averaging method for the capital gain part also, she would report $30,000 on Form 4972, line 2, and her tax on it would be $4,800 ($4,800 multiplied by 100%). She would not report the capital gain of $18,000 on Schedule D (Form 1040).

Form **5695**
Department of the Treasury
Internal Revenue Service (X)

Residential Energy Credit

▶ Attach to Form 1040. ▶ See Instructions on back.
For Paperwork Reduction Act Notice, see instructions on back.

OMB No. 1545-0214
1982
33

Name(s) as shown on Form 1040

Your social security number

Enter in the space below the address of your principal residence on which the credit is claimed if it is different from the address shown on Form 1040.

If you have an energy credit carryover from a previous tax year and no energy savings costs this year, skip to Part III, line 24.

Part I Fill in your energy conservation costs (but do not include repair or maintenance costs).

1 Was your principal residence substantially completed before April 20, 1977? ▶ ☐ Yes ☐ No

Note: You MUST answer this question. Failure to do so will delay the processing of your return. If you checked the "No" box, you CANNOT claim an energy credit under Part I and you should not fill in lines 2 through 12 of this form.

2	a Insulation	2a		
	b Storm (or thermal) windows or doors	2b		
	c Caulking or weatherstripping	2c		
	d A replacement burner for your existing furnace that reduces fuel use	2d		
	e A device for modifying flue openings to make a heating system more efficient	2e		
	f An electrical or mechanical furnace ignition system that replaces a gas pilot light	2f		
	g A thermostat with an automatic setback	2g		
	h A meter that shows the cost of energy used	2h		
3	Total (add lines 2a through 2h)	3		
4	Enter the part of expenditures made from nontaxable government grants and subsidized financing	4		
5	Subtract line 4 from line 3	5		
6	Maximum amount of cost on which credit can be figured	6	$2,000	00
7	Enter the total energy conservation costs for this residence. Add line 2 of your 1978, 1979, and 1980 Forms 5695 and line 3 of your 1981 Form 5695	7		
8	Subtract line 7 from line 6	8		
9	Enter the total nontaxable grants and subsidized financing used to purchase qualified energy items for this residence. Add the amount on line 4 of this form and the amount on line 4 of your 1981 Form 5695	9		
10	Subtract line 9 from line 8. If zero or less, do not complete the rest of this part	10		
11	Enter the amount on line 5 or line 10, whichever is less	11		
12	Enter 15% of line 11 here and include in amount on line 23 below	12		

Part II Fill in your renewable energy source costs (but do not include repair or maintenance costs).

13	a Solar ______ 13 b Geothermal ______ 13 c Wind ______ Total ▶	13d		
14	Enter the part of expenditures made from nontaxable government grants and subsidized financing	14		
15	Subtract line 14 from line 13	15		
16	Maximum amount of cost on which the credit can be figured	16	$10,000	00
17	Enter the total renewable energy source costs for this residence. Add line 5 of your 1978 Form 5695, line 9 of your 1979 and 1980 Forms 5695, and line 13d of your 1981 Form 5695	17		
18	Subtract line 17 from line 16	18		
19	Enter the total nontaxable grants and subsidized financing used to purchase qualified energy items for this residence. Add the amount on line 14 of this form and the amount on line 14 of your 1981 Form 5695	19		
20	Subtract line 19 from line 18. If zero or less, do not complete the rest of this part	20		
21	Enter the amount on line 15 or line 20, whichever is less	21		
22	Enter 40% of line 21 here and include in amount on line 23 below	22		

Part III Fill in this part to figure the limitation.

23	Add lines 12 and 22. *If less than $10, enter zero*	23		
24	*Enter your energy credit carryover from a previous tax year.* **Caution**—Do not make an entry on this line if your 1981 Form 1040, line 47, showed an amount of more than zero	24		
25	Add lines 23 and 24	25		
26	Enter the amount of tax shown on Form 1040, line 40	26		
27	Add lines 41 through 46 from Form 1040 and enter the total	27		
28	Subtract line 27 from line 26. If zero or less, enter zero	28		
29	Residential energy credit. Enter the amount on line 25 or line 28, whichever is less. Also, enter this amount on Form 1040, line 47. Complete Part IV below if this line is less than line 25	29		

Part IV Fill in this part to figure your carryover to 1983 (Complete only if line 29 is less than line 25).

30	Enter amount from Part III, line 25	30		
31	Enter amount from Part III, line 29	31		
32	Credit carryover to 1983 (subtract line 31 from line 30)	32		

READEX FICHE

General Instructions

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Two energy credits make up the residential energy credit, each with its own conditions and limits. These credits are based on: (1) Costs for home energy conservation, and (2) Costs for renewable energy source property.

The credit is based on the cost of items installed in your principal residence after April 19, 1977, and before January 1, 1986.

Purpose.—Use this form to figure your residential energy credit if you had qualified energy saving items installed in your principal residence. The instructions below list conditions you must meet to take the credit. If you have an energy credit carryover from the previous tax year and no energy saving costs this year, skip to Part III of the form. Attach Form 5695 to your tax return. For more information, please get **Publication 903**, Energy Credits for Individuals.

What is your principal residence?—To qualify as your principal residence, your residence must be the home in the United States where you live (you may own it or rent it from another person).

A summer or vacation home does not qualify.

For energy conservation items to qualify, your principal residence must have been substantially completed before April 20, 1977. A dwelling unit is considered substantially completed when it can be used as a personal residence even though minor items remain unfinished.

Special Rules.—If you live in a condominium, cooperative apartment, occupy a dwelling unit jointly, or share the cost of energy property, see **Publication 903** for more details.

What are energy saving items?—You can take the credit for energy conservation and renewable energy source items.

Energy conservation items are limited to:

- insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.
- storm (or thermal) windows or doors for the outside of your residence.
- caulking or weatherstripping for windows or doors for the outside of your residence.
- a replacement burner for your existing furnace that reduces fuel use. The burner must replace an existing burner. It does not qualify if it is acquired as a component of, or for use in, a new furnace or boiler.
- a device for modifying flue openings to make a heating system more efficient.
- an electrical or mechanical furnace ignition system that replaces a gas pilot light.
- a thermostat with an automatic setback.
- a meter that shows the cost of energy used.

To take the credit for an energy conservation item, you must:

- install the item in your principal residence which was substantially completed before April 20, 1977,
- be the first one to use the item, and
- expect it to last at least 3 years.

The maximum credit for energy conservation items cannot be more than $300 ($2,000 × 15%) for each principal residence.

Renewable energy source items include solar, wind, and geothermal energy items that heat or cool your principal residence or provide hot water or electricity for it.

Examples of solar energy items that may qualify include:

- collectors,
- rockbeds,
- heat exchangers, and
- solar panels installed on roofs (including those installed as a roof or part of a roof).

An example of an item that uses wind energy is a windmill that produces energy in any form (usually electricity) for your residence.

To take the credit for a renewable energy source item, you must:

- be the first one to use the item, and
- expect it to last at least 5 years.

The maximum credit for renewable energy source items cannot be more than $4,000 ($10,000 × 40%) for each principal residence.

What items are NOT eligible for the energy credit?—Do not take credit for:

- carpeting;
- drapes;
- wood paneling;
- wood or peat-burning stoves;
- hydrogen fueled residential equipment;
- siding for the outside of your residence;
- heat pumps (both air and water);
- fluorescent replacement lighting systems;
- replacement boilers and furnaces; and
- swimming pools used to store energy.

Federal, State, or local government nontaxable grants and subsidized financing.—Qualified expenditures financed with nontaxable Federal, State, or local government grants cannot be used to figure the energy credit. Also, if Federal, State, or local government programs provide subsidized financing for any part of qualified expenditures, that part cannot be used to figure the energy credit. You must reduce the expenditure limits on energy conservation and renewable energy source property for a dwelling by the part of expenditures financed by Federal, State, or local government subsidized energy financing, as well as by the amount of nontaxable Federal, State, or local government grants used to purchase conservation or renewable energy source property.

Figuring the credit for more than one principal residence.—You can take the maximum credit for each principal residence you live in. If you use all of your credit for one residence and then move, you may take the maximum credit amount on your next residence.

To figure your 1982 energy credit for more than one principal residence:

(1) Fill out Part I or II on a separate Form 5695 for each principal residence.

(2) Enter the total of all parts on line 23 of one of the forms.

(3) In the space above line 23, write "More than one principal residence."

(4) Attach all forms to your return.

Caution: *You should keep a copy of each Form 5695 that you file for your records. For example, if you sell your principal residence, you will need to know the amount of the credit claimed in prior tax years. If the items for which you took the credit increased the basis of your principal residence, you must reduce the basis by the credit you took.*

If the credit is more than your tax.—If your energy credit for this year is more than your tax minus certain other credits, you can carry over the excess energy credit to the following tax year.

Specific Instructions

Part I, lines 2a through 2h.—Enter your energy conservation costs (including expenditures made with nontaxable government grants and subsidized financing) only for this tax year. Count the cost of the item and its installation in or on your principal residence. Do not include the cost of repairs or maintenance for energy conservation items.

Part I, line 4.—Enter the amount of nontaxable government grants and subsidized financing used to purchase the energy items. If you do not know the amount, check with the government agency that gave you the grant or subsidized financing.

Part I, line 7.—Enter your total energy conservation costs from 1978, 1979, 1980, and 1981 for this principal residence. If you had energy conservation costs in the previous tax year but could not take a credit because it was less than $10, enter zero.

Part I, line 9.—Enter the part of nontaxable government grants and subsidized financing received under Federal, State, or local programs to purchase energy items. You must use the amounts received under these programs to reduce the maximum amount of cost used to figure the credit. If you do not know the amount of the nontaxable grant, check with the government agency which gave you the grant or subsidized financing.

Part II, lines 13a through 13d.—Enter your renewable energy source costs (including expenditures made with nontaxable government grants and subsidized financing) only for this tax year. Do not include the cost of repairs or maintenance for renewable energy source items.

Part II, line 14.—See Part I, line 4 for explanation.

Part II, line 17.—Enter your total renewable energy source costs from 1978, 1979, 1980, and 1981 for this principal residence. If you had renewable energy source costs in the previous tax year but could not take a credit because it was less than $10, enter zero.

Part II, line 19.—See Part I, line 9 for explanation.

Part III, line 24.—Generally, your energy credit carryover will be computed on your prior year Form 5695, Part IV. Exception—If the alternative minimum tax applied, see **Publication 909**, Minimum Tax and Alternative Minimum Tax.

Part IV.—Complete this part only if line 29 is less than line 25. You can carry over the amount entered on line 32 to your next tax year. Exception—If the alternative minimum tax applies, see **Publication 909.**

Form **5884**
Department of the Treasury
Internal Revenue Service

Jobs Credit

(and WIN credit carryover)
▶ Attach to your tax return.

OMB No. 1545-0219
1982
78

Name(s) as shown on return

Identifying number

Part I Jobs Credit

1 Enter the number of employees and total qualified wages paid or incurred during the tax year (up to $6,000 for each employee for each of the first two years) for services of employees who are certified as members of a targeted group (see instructions for line 1):

		Number of employees		Total qualified wages
First year	(a)		(b)	
Second year	(c)		(d)	

2 Enter 50% of line 1(b) (FY 1982–83 taxpayers with summer youth employees, see instr.) **2**

3 Enter 25% of line 1(d) **3**

4 Current year jobs credit—Add lines 2 and 3. Enter here and include on Schedule C (Form 1040), line 28b; Form 1120, line 13(b), page 1; or the corresponding line on other returns. (Members of a group of trades or businesses under common control, see Specific Instructions) **4**

5 Flow-through jobs credits from other entities **5**

If you are a—	Then enter total of current year jobs credit(s) from—
a Shareholder .	Schedule K–1 (Form 1120S), Part V
b Partner . . .	Schedule K–1 (Form 1065), line 14
c Beneficiary . .	Schedule K–1 (Form 1041), line 11
d Patron . . .	(see instructions for line 5d)

6 Total jobs credit for current year—Add lines 4 and 5 (Electing small business corporations, partnerships, estates, and trusts, see instructions for line 6.) **6**

7 a Individuals—From Form 1040, enter tax from line 38 plus any additional tax from Form 4970 . .
b Estates and trusts—From Form 1041, enter tax from line 26a, plus any section 644 tax on trusts .
c Corporations (1120 filers)—From Form 1120, Schedule J, enter tax from line 3 .
d Other organizations—Enter income tax before credits from return . . . . } **7**

8 a Individuals—From Form 1040, enter credits from lines 41 through 44 . . . . . .
b Estates and trusts—From Form 1041, enter credits from lines 27a and 27b . .
c Corporations (1120 filers)—From Form 1120, Schedule J, enter credits from lines 4(a), 4(b), and 4(f) . . . .
d Other organizations—Enter total of any foreign tax, possessions, and investment credits . . . . } **8**

9 Income tax liability as adjusted (subtract line 8 from line 7) **9**

Part II Allowed WIN Credit Carryover

10 WIN credit carryover from prior year (plus any WIN credit from a fiscal year 1981–82 entity (see instructions)) **10**

11 Allowed WIN credit for 1982—lesser of line 9 or 10 . . . . **11**

Part III Allowed Jobs Credit

12 Line 9 less any WIN credit taken on line 11 . . . . **12**

13 Child care credit—Form 1040, line 45 (individuals only) **13**

14 Income tax liability as adjusted—Subtract line 13 from line 12 . . . . **14**

15 Jobs credit limitation—Multiply line 14 by 90% (line 14 × .90) **15**

16 Allowed jobs credit for 1982 tax year—Enter smaller of line 6 or line 15. If line 6 does not contain an entry, enter zero. (Section 1381(a) cooperatives: see line 6 instructions) **16**

If you have an unused jobs credit from other years, complete lines 17–19. Otherwise, skip to line 20

17 Tax liability limit for unused jobs credits from other years—Subtract line 16 from line 15 . . . . **17**

18 Carryback and carryover of unused jobs credits from other years **18**

19 Allowed unused jobs credits from other years—Enter smaller of line 17 or 18 . . . . **19**

20 Allowed jobs and WIN credits from all sources—Add lines 11, 16, and 19. Enter here and on Form 1040, line 46, Schedule J (Form 1120), line 4(c), page 3; or the appropriate line on other returns . . **20**

Instructions

(References are to the Internal Revenue Code.)

Tax Highlights

Separate WIN Credit Terminated; Jobs Credit Allowed for Eligible WIN Employees.—The Economic Recovery Tax Act of 1981 terminated the separate section 40 WIN credit for wages paid in tax years beginning after December 31, 1981. However, for tax years beginning in 1982 and later there is a new targeted group for certified WIN employees.

Note—Certain 1982 taxpayers may still claim a section 40 WIN credit. See line 10 instructions on page 2.

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

* * *

Purpose

Use the 1982 Form 5884 if you had jobs credit employees and take an income tax credit for wages you paid or accrued for them during the tax year.

Mutual savings institutions, regulated investment companies, and real estate investment trusts can take a limited jobs credit. See section 52(f) and the related regulations.

You can take or revoke the jobs credit any time within 3 years from the date your return was due for the year. You can take the credit either on your original return or on an amended return. To revoke your jobs credit after you take it, file an amended return.

For more information, see **Publication 906, Jobs and Research Credits.**

How to Figure the Credit.—In general, you should figure your jobs credit based on the employee's wages subject to FUTA tax. Special rules apply in the following cases:

(1) You can take the jobs credit for *agricultural employees* who meet the other tests if their services qualify under FUTA as agricultural labor during more than half of any pay period. Base your jobs credit for each agricultural employee on the first $6,000 in wages subject to social security (FICA) tax you paid or accrued for that person during the year.

(2) You can take the jobs credit for *railroad employees* who meet the other tests if their wages qualify under the Railroad Unemployment Insurance Act (RUIA). Base your jobs credit for each employee on the first $500 a month you paid or accrued for that person during the year in wages subject to RUIA tax.

(3) *Wages for youths in a cooperative education program* are not subject to FUTA, but include their wages in the amount you use to figure your jobs credit. Base your jobs credit for each youth on the first $6,000 in wages you paid or accrued for that person during the year.

Your credit is based on a percentage of the wages for each employee in the following targeted groups:

- Referrals by a vocational rehabilitation program.
- Economically disadvantaged Vietnam-era veterans.
- Economically disadvantaged youths.
- Supplemental Security Income (SSI) recipients.
- General assistance recipients.
- Youths in a cooperative education program, who belong to an economically disadvantaged family.
- Economically disadvantaged ex-convicts.
- CETA employees whose jobs were involuntarily ended. (Only employees first beginning work between August 13, 1981, and January 1, 1983, can qualify as a member of this group.)
- Eligible work incentive employees.
- Qualified summer youth employees, age 16 or 17, who work for you between May 1 and September 15 (beginning in 1983).

In addition, to claim a jobs credit on an employee's wages:

(1) more than half the wages received from you must be for working in your trade or business;

(2) the employee must be certified, as explained below, as belonging to a targeted group; and

(3) you may not claim a credit on wages that were repaid by a Federally funded on-the-job training program.

Effective for employees first beginning work after August 13, 1981, the employee cannot be:

(1) your relative or dependent (see section 51(i)).

(2) your rehired employee if he or she was not a targeted group member when employed earlier.

Certification is done by a local agency, generally an office of the State Employment Security Agency (Jobs Service). The agency gives the employer a form certifying that the employee is in a targeted group.

Before any targeted group member first begins work for an employer, the certification must be completed or the employer must request, in writing, a certification from the certifying agency. For employees who begin work after May 11, 1982, the certification may be requested **on or before** the date the employee begins work.

Certification of a Youth in a Cooperative Education Program.—For a youth in a cooperative education program, the certification is completed by the school administering the cooperative program. The school gives the employer a completed Form 6199, Certification of Youth Participating in a Qualified Cooperative Education Program.

Specific Instructions

Part I

On lines 1 through 4 figure your credit for wages you paid or accrued. If you have credits only from sources that shared a jobs credit (small business corporations, partnerships, estates, trusts, or cooperatives), skip lines 1 through 4.

Whether or not you complete lines 1 through 4, enter on line 5 any credits you received from sources that share the credit. Complete the rest of the form to figure the credit to enter on your income tax return.

Controlled groups: The group member proportionately contributing the most first-year wages (or second-year wages if no first-year wages are involved) figures the group credit in Part I (lines 1–6 only) and skips Parts II and III.

On separate Forms 5884, that member and every other member of the group skips lines 1 through 3 and enters its share of the group credit on line 4. Each member then completes lines 5 through 20 on its separate form, entering any unused credit from other years on line 18. Each group member attaches to its Form 5884 a schedule showing how the group credit was divided among all the members. The members share the credit in the same proportion that they contributed qualifying wages.

Line 1(a).—Enter the number of employees for whom you have first-year wages.

Line 1(b).—Enter the first-year wages. They are limited to $6,000 of each employee's first-year wages. If you paid first-year wages to any of these employees last year, subtract those wages from the $6,000 limit.

For example, if a jobs credit employee started working in your business on September 1, 1981, and you are a calendar year taxpayer, you would have figured your 1981 jobs credit based on the first-year wages you paid between September 1 and December 31, 1981. You would figure your 1982 jobs credit on the rest of the first-year wages you paid between January 1 and August 31, 1982; and on the second-year wages you paid between September 1 and December 31, 1982.

For a qualified summer youth employee, the wages are limited to those paid for any 90-day period between May 1 and September 15 (beginning in 1983), up to $3,000.

For a vocational rehabilitation employee, count the years that person worked for you from the later of: the date he or she began work or the date his or her rehabilitation plan started. For other jobs credit employees, count the years the person worked for you from the date he or she began work.

Line 1(c).—Enter the number of employees for whom you have second-year wages.

Line 1(d).—Enter the second-year wages. They are limited to $6,000 for each employee. If you paid second-year wages to any of these employees last year, subtract those wages from the $6,000 limit for that employee.

Line 2. 1932–83 fiscal-year taxpayers with qualified summer youth employees.—Include 85% of the first $3,000 of wages paid to each qualified summer youth employee.

Line 4.—In general, you must subtract your current year jobs credit on line 4 from the deduction on your return for salaries and wages you paid or owe for 1982. This is true even if you cannot take the full credit this year and must carry part of it back or forward.

An exception is a jobs credit based on salaries and wages you capitalize for depreciation. If you have such a credit, reduce the amount on which you figure depreciation by the part of the current year jobs credit on line 4 that applies to the jobs credit wages you capitalize.

Another exception involves the full absorption method of inventory costing. See Proposed Regulations section 1.280C–1 to reduce your basis in inventory for the jobs credit.

If either exception applies to you, attach a statement to your return to explain why the amount on line 4 differs from the amount you subtract from your salary and wage deduction. See **Publication 906** for details.

Line 5.—If you have flow-through credits from more than one entity or type of entity, add them up and enter the total on line 5.

Line 5d.—If you belong to a cooperative that has an excess jobs credit, the cooperative should have given you a statement that shows your share of the excess. Include on line 5 your total excess jobs credit from all cooperatives to which you belong.

Line 6.—*Estates and trusts:* The jobs credit on line 6 is shared between the estate or trust itself and the beneficiaries in proportion to the income allocable to each. On the dotted line to the left of the amount on line 6, the estate or trust should enter its own part of the total jobs credit. Please label it "1041 PORTION" and use *this amount* in Part III to figure the jobs credit to take on Form 1041.

Small business corporations and partnerships: Prorate the jobs credit on line 6 among those who were shareholders on the last day of the corporation's tax year or those who were partners at the time the qualifying wages were paid. Attach Form 5884 to the return and on Schedule K–1 show the credit for each shareholder or partner.

Cooperatives: Most tax-exempt organizations cannot take the jobs credit; but a cooperative described in section 1381(a) takes the jobs credit to the extent it has tax liability. Any excess is shared among its patrons.

If the cooperative has unused jobs credits from tax years that ended before November 1, 1978, the cooperative can carry them back or forward. It cannot share them among its patrons.

Part II

Line 10.—If you are: (1) A taxpayer with a WIN credit carryover, or (2) a patron of a 1981–82 fiscal-year section 1381(a) cooperative with excess WIN credit, claim this credit on line 10 of this 1982 Form 5884.

If you are a shareholder, partner, or beneficiary of a 1981–82 fiscal-year subchapter S corporation, partnership, estate or trust that has WIN wages, figure the credit on a 1981 Form 4874, Credit for Work Incentive (WIN) Program Expenses, using your 1982 taxes and credits. Cross out the 1981 date and write "1982," and carry the WIN credit to the jobs credit line on your 1982 tax return crossing out "Jobs Credit" and writing in "WIN Credit." However, if you **also** have a 1982 jobs credit, enter the WIN credit you figured on Form 4874 on line 10 of this 1982 Form 5884 instead of carrying it directly to your return.

Part III

Line 15.—The jobs credit you take for your 1982 tax year cannot be more than 90% of your tax for the year. The tax liability limit applies first to current and then to carryover jobs credits. You must make an entry on line 15 before figuring your allowed credit on lines 16 through 20.

Carryovers.—If the tax liability limit (line 15) prevents you from using your full jobs credit for your 1982 tax year, you can carry the excess back 3 years and forward 15 years, up to the tax liability limit for each year. To figure the amount of jobs credit that you may carry to other years, subtract line 15 from the total of lines 6 and 18. Apply any unused credit first to the earliest year to which it may be carried, and then to each later year in order.

If you have a carryover credit (new jobs credit or targeted jobs credit) from prior years that is more than the line 17 limit, you can carry it forward for 15 years from the tax year the credit was earned.

Form **6251**

Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax Computation

▶ See instructions on back.
▶ Attach to Forms 1040, 1040NR, 1041 or 990–T (Trust).

OMB No. 1545-0227

1982

34

Name(s) as shown on tax return

Identifying number

Part I Computation of Alternative Minimum Tax

1 Adjusted gross income from Form 1040 or Form 1040NR, line 33 (see instructions) . . . 1

2 Deductions (applies to individuals only):

a Amount from Form 1040, line 34a or 34b, or Form 1040NR, line 36 . . . 2a

b On your 1982 Form 1040, if you checked Filing Status box . { 2 or 5, enter $3,400; 1 or 4, enter $2,300; 3, enter $1,700 . } 2b

c Multiply $1,000 by the total number of exemptions on Form 1040, line 6e . 2c

d Add lines 2a through 2c (estates and trusts, enter zero) . . . 2d

3 Subtract line 2d from line 1 . . . 3

4 Tax preference items:

a Adjusted itemized deductions . . . 4a

b Capital gain deduction . . . 4b

c Add lines 4a and 4b . . . 4c

5 Alternative minimum taxable income (add lines 3 and 4c) . . . 5

6 Enter $20,000 ($10,000 if married filing separately, or an estate or trust) . . . 6

7 Subtract line 6 from line 5. If zero or less, do not complete the rest of this form . . . 7

8 Enter the smaller of line 7 or $40,000 ($20,000 if married filing separately, or an estate or trust) . . . 8

9 Subtract line 8 from line 7 . . . 9

10 Enter 10% of line 8 . . . 10

11 Enter 20% of line 9 . . . 11

12 Add lines 10 and 11 . . . 12

13 Amount from Form 1040, line 50* (estates and trusts—see instructions) . 13

14 Minimum tax from Form 1040, 1040NR, 1041, or 990–T . . . 14

15 Tax from recapture of investment credit . . . 15

16 Add lines 13 through 15 . . . 16

17 Subtract line 16 from line 12. If zero or less, do not complete the rest of this form . 17

18 Foreign tax credit (see instructions) . . . 18

19 Subtract line 18 from line 17. If line 18 is more than line 17, enter zero . 19

20 Credits allowed against alternative minimum tax from Part II, line 27 . . . 20

21 Alternative minimum tax (subtract line 20 from line 19.) If zero or less, enter zero. Enter here and on Form 1040, line 53 or Form 1040NR, line 54 (estates and trusts—see instructions) . 21

Part II Computation of Credits Allowed Against Alternative Minimum Tax

22 Enter amount from line 3 above . . . 22

23 Enter 66⅔% of line 4b . . . 23

24 Subtract line 23 from line 22 24

25 Figure this line from one of the schedules below on the amount reported in line 24 . 25

26 Credits, other than Foreign Tax Credit, from Form 1040, line 49. (See instructions.) . 26

27 Enter line 25 or line 26, whichever is smaller. Enter here and on line 20 above . 27

Single, Married Filing Jointly, Qualifying Widow(er), or Head of Household

If the amount on line 24 is: Over	But not over	Enter on line 25:	of the amount over
Not over $20,000		-0-	
$20,000	$60,000	10%	$20,000
$60,000	—	$4,000 + 20%	$60,000

Married, Filing Separately, or Estate or Trust

If the amount on line 24 is: Over	But not over	Enter on line 25:	of the amount over
Not over $10,000		-0-	
$10,000	$30,000	10%	$10,000
$30,000	—	$2,000 + 20%	$30,000

*Do not include any tax from Form 4970, Form 4972, Form 5544, or any penalty tax under section 72(m)(5).

For Paperwork Reduction Act Notice, see back of form.

Form **6251** (1982)

Instructions

(Section References are to the Internal Revenue Code)

Paperwork Reduction Act Notice

We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form

Use this form to figure your alternative minimum tax. Individuals, estates or trusts may be liable if they have: (1) tax preference items for adjusted itemized deductions or capital gain deduction; (2) an entry on Schedule D (Form 1040), line 9a and credits on Form 1040, line 49; or (3) nonbusiness credits for investment credit, WIN credit, or jobs credit.

Line-by-Line Instructions

Line 1.—Do not include in line 1 any alcohol fuel credit included in income.

Note: *Line 1 and line 3 can be less than zero. However, when you figure lines 1 and 2, you cannot include a deduction for any loss or expense allowable in figuring a net operating loss that can be carried back or forward.*

If you used the worksheet on page 12 of the Form 1040 instructions or had an entry on Form 1040NR, line 37, enter the amount from line 5 of the worksheet or line 38 of Form 1040NR, on line 1 of Form 6251, instead of the amount from Form 1040 or Form 1040NR, line 33. If you entered your earned income on line 3 of the worksheet, refigure that line using Schedule A (Form 1040), line 28 instead of your earned income.

Estates and trusts.—Enter the taxable income from Form 1041, line 25, or Form 990–T, page 1, line 5.

Line 4a.—Adjusted Itemized Deductions.

Individuals—Step 1.—Subtract the following from your total itemized deductions (Schedule A (Form 1040), line 28):

(1) medical and dental expenses (Schedule A (Form 1040), line 10),
(2) State, local, and foreign taxes (Schedule A (Form 1040), line 15),
(3) casualty and theft losses (Schedule A (Form 1040), line 24), and
(4) any deduction for estate tax allowable under section 691(c).

Step 2.—Subtract from your adjusted gross income (Form 1040, line 33), the items in (1) through (4) of step 1. If less than zero, enter zero.

Step 3.—Multiply step 2 by 60%.

Step 4.—Subtract step 3 from step 1. Enter the result on line 4a. If less than zero, enter zero.

Estates and Trusts—

Step 1.—Add all deductions except:

(1) those allowable in figuring adjusted gross income,
(2) the deduction for personal exemption,
(3) the deduction for casualty and theft losses,
(4) the deduction for State, local, and foreign taxes,
(5) the deduction allowed for distributions to beneficiaries,
(6) the charitable deduction allowable to a trust to the extent that a corresponding amount is included in the gross income of the beneficiary of the trust, and
(7) any deduction for estate tax allowable under section 691(c).

Step 2.—Subtract from adjusted gross income the items in (3) through (7) of step 1. If less than zero, enter zero.

Step 3.—Multiply step 2 by 60%.

Step 4.—Subtract step 3 from step 1. Enter the result on line 4a. If less than zero, enter zero.

Note: *Adjusted gross income for an estate or trust is figured in the same way as for an individual except that the following items are allowed in figuring adjusted gross income:*

(1) the costs of administration of the estate or trust, and
(2) the charitable deduction to the extent provided in section 57(b)(2)(C).

Line 4b.—Capital Gain Deduction.

Individuals—Enter one of the following:

(1) The amount from Schedule D (Form 1040), line 21;
(2) The amount from Form 4798, Part I, line 9;
(3) 60% of capital gain distributions if you did not use Schedule D or Form 4798.

Note: *Do not include as a tax preference item the capital gain deduction attributable to a sale or exchange of a principal residence.*

Estates and Trusts—

Enter the capital gain deduction taken into account on Form 1041 or 990–T. However, an amount paid or permanently set aside for a charitable purpose is not a tax preference item.

Lines 5 and 12.—If this is a short period return, use the formula in section 443 (d)(1) to determine the amount to enter on these lines.

Nonresident alien individuals.—If you disposed of U.S. real property interests at a gain, see Form 1040NR instructions for a special rule in figuring line 10.

Line 13.—Estates and trusts, enter the amount from Form 1041, line 30, or Form 990–T, page 1, line 11.

Line 18.—Foreign Tax Credit.

If line 17 is more than zero, and you incurred foreign taxes and elect to take them as a credit, enter on line 18 the foreign tax credit allowed against the alternative minimum tax. Use a separate Form 1116 to figure this credit. Do not use the Form 1116 you used to figure the credit on Form 1040, line 42. Figure this credit as follows:

(1) Use and attach a separate Form 1116 for each type of income specified at the top of Form 1116.
(2) Print across the top of each Form 1116 used: "ALT MIN TAX."
(3) **Part I**—Use your alternative minimum taxable income from sources outside the U.S. and items of gross income and deductions used in determining alternative minimum taxable income from sources outside the U.S. Part II need not be completed.
(4) **Part III**—
  (a) Skip lines 1 to 4.
  (b) Insert on line 5 the result of the following:
    (i) the amount from Part III, line 5 of the Form 1116 used to figure the amount on line 42 of Form 1040, line 27a of Form 1041, or line 9(a) of Form 990–T, minus
    (ii) the amount from Part III, line 17 of that Form 1116, plus
    (iii) the smaller of (A) the amount from Part III, line 17 of that Form 1116, or (B) Form 6251, line 17 (or if more than one Form 1116 is being used, an allocable portion of Form 6251, line 17).
  (c) Complete lines 6 through 8, substituting alternative minimum taxable income from sources outside the U.S. for taxable income from sources outside the U.S. on line 6.
  (d) Skip lines 9 and 10.
  (e) Line 11—Enter the amount from Form 6251, line 5.
  (f) Complete line 12 as indicated in Part III.
  (g) Skip lines 13 and 14.
  (h) Line 15—Enter the sum of Form 6251, lines 13, 15 and 17.
  (i) Complete lines 16 and 17 as indicated in Part III.
(5) **Part IV**—
  Enter on line 18, Form 6251, the amount from line 7, Part IV of this Form 1116 (but not more than the amount on Form 6251, line 17).

For more information on how to figure this credit, see **Publication 909,** Minimum Tax and Alternative Minimum Tax.

Line 21.—If you are filing Form 1041, enter the amount from this line on Form 1041, line 32. If you are filing Form 990–T, enter the amount from this line on Form 990–T, page 1, line 14.

Line 23.—If you had an entry on Schedule D (Form 1040), line 9a, include in line 23 the portion of Schedule D, line 9a included in Form 1040, line 13.

Line 26.—Credits.—Enter your credits, other than your foreign tax credit, as they appear on your tax return; Form 1040, line 49, Form 1041, line 29, or Form 990–T, line 10. Include WIN credit only to the extent it is from an active trade or business. Refigure investment credit using another Form 3468. Refigure jobs credit using another Form 5884. Include in such forms, only the credits from an active trade or business. In addition, substitute the amount in Form 6251, line 25 for your tax liability before credits on Forms 3468 and 5884. Print "ALT MIN TAX" across the top of each Form 3468 and Form 5884 you use to refigure these credits. Attach them to this form.

It may be necessary to figure the carryback or carryover of unused credits. See section 55(c)(4).

Partners, Beneficiaries, etc. If you are a—

(1) Partner, take into account separately your distributive share of items of income and deductions that enter into the computation of tax preference items.
(2) Beneficiary of an estate or trust, see section 58(c).
(3) Shareholder of an electing small business corporation, see section 58(d).
(4) Participant in a common trust fund, see section 58(e).
(5) Shareholder or holder of beneficial interest in a regulated investment company or a real estate investment trust, see section 58(f).

Form **6252**

Department of the Treasury
Internal Revenue Service

Computation of Installment Sale Income

▶ **See instructions on back.** ▶ **Attach to your tax return.**

Use a separate form for each sale or other disposition of property on the installment method.

OMB No. 1545-0228

1982

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Name(s) as shown on tax return

Identifying number

A Kind of property and description ▶ ....

B Date acquired (month, day, and year) ▶ .... **C** Date sold (month, day, and year) ▶ ....

D Was property sold to a related party after May 14, 1980? (See instruction C) . . . ☐ Yes ☐ No

E If the answer to D is "Yes", was the property a marketable security? . . . ☐ Yes ☐ No

If you checked "Yes" to question E, you must complete Part III.
If you checked "No" to question E, complete Part III for 2 years after the year of sale.

Part I Computation of Gross Profit and Contract Price *(Complete this part for year of sale only.)*

1 Selling price including mortgages and other indebtedness (Do not include interest whether stated or unstated) . . . **1**
2 Mortgages and other indebtedness buyer assumes or takes property subject to (see instructions) . . . **2**
3 Subtract line 2 from line 1 . . . **3**
4 Cost or other basis of property sold . . . **4**
5 Depreciation allowed or allowable . . . **5**
6 Adjusted basis (subtract line 5 from line 4) . . . **6**
7 Commissions and other expenses of sale . . . **7**
8 Add line 6 and line 7 . . . **8**
9 Subtract line 8 from line 1. If result is zero or less, do not complete rest of form . . . **9**
10 If question A is principal residence, enter the sum of Form 2119, lines 12, 15, and 19 . . . **10**
11 Gross profit (subtract line 10 from line 9) . . . **11**
12 Subtract line 8 from line 2. If line 8 is more than line 2, enter zero . . . **12**
13 Contract price (add line 3 and line 12) . . . **13**

Part II Computation of Taxable Part of Installment Sale *(Complete this part for year of sale and any year you receive a payment.)*

14 Gross profit ratio (divide line 11 by line 13) (for years after the year of sale, see instructions) . . . **14**
15 For year of sale only—enter amount from line 12 above; otherwise enter zero . . . **15**
16 Payments received during year (Do not include interest whether stated or unstated) . . . **16**
17 Add lines 15 and 16 . . . **17**
18 Payments received in prior years (Do not include interest whether stated or unstated) . . . **18**
19 Taxable part of installment sale (multiply line 17 by line 14) . . . **19**
20 Part of line 19 that is ordinary income under recapture rules . . . **20**
21 Subtract line 20 from line 19. Enter on Schedule D or Form 4797 . . . **21**

Part III Information and Computation for Related Party Installment Sale *(Do not complete this part if you received the final installment payment this tax year.)*

F Name, address, and taxpayer identifying number of related party ....

....

G Did the related party, during this tax year, resell or dispose of the property? . . . ☐ Yes ☐ No

H If the answer to question G is "Yes," complete lines 22 through 29 below unless one of the following conditions is met (check only the box that applies).

☐ The first disposition was a sale or exchange of stock to the issuing corporation.
☐ The second disposition was an involuntary conversion where the threat of conversion occurred after the first disposition.
☐ The second disposition occurred after the death of the original seller or purchaser.
☐ It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation. (See instruction C.)

22 Selling price of property sold by related party . . . **22**
23 Enter contract price from line 13 for year of first sale . . . **23**
24 Enter the smaller of line 22 or line 23 . . . **24**
25 Total payments received by the end of tax year. Add lines 17 and 18 . . . **25**
26 Subtract line 25 from line 24. If line 25 is more than line 24, enter zero . . . **26**
27 Multiply line 26 by line 14 for year of first sale . . . **27**
28 Part of line 27 that is ordinary income under recapture rules . . . **28**
29 Subtract line 28 from line 27. Enter on Schedule D or Form 4797 . . . **29**

For Paperwork Reduction Act Notice, see back of form.

Form **6252** (1982)

Instructions

(Section references are to the Internal Revenue Code)

Paperwork Reduction Act Notice

We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

A. Purpose

Use Form 6252 to report income from the following type of sale if you are not a dealer and are to receive any payment (including payments from sales reported on the installment method prior to 1980) in a tax year after the year of sale:

- A sale of real property.
- A casual sale of personal property, other than inventory.

You must use Form 6252 unless you elect not to report the sale on the installment method. If you want to elect out, see the instructions for your Schedule D or Form 4797. If you do not use the installment method, report the sale on your Schedule D or Form 4797.

If you sold property placed in service after 12/31/80 on the installment method, and you had elected to treat part of the cost as an expense under section 179, the following applies. Report the deduction you took under section 179 as ordinary income on Form 4797, Part II for the year of sale. Do not report more than the gain from the sale of this property.

Dealers in real or personal property may use the installment method, but should not use this form. Instead they should report the sale directly on their tax return.

B. What Parts to Complete

For the Year of Sale—Complete questions A through E, Part I, and Part II.

For Years After the Year of Sale—Complete questions A through E and Part II, *for any year in which you receive a payment from an installment sale.*

Related Party Sales—If you sold marketable securities to a related party defined in instruction C, complete the form for every year of the installment agreement, whether or not you received a payment. For a year after the year of sale, complete questions A through E and Part III if you did not receive a payment during the year. (If you received a payment, also complete Part II.) If you sold property other than marketable securities to a related party, complete the form for 2 years after the year of sale, regardless of whether you received any payments. If during this 2-year period you receive no payments, complete questions A through E, and Part III. After this 2-year period, see "For Years After the Year of Sale" above.

C. Installment Sales to Related Party

A related party is your spouse, child, grandchild, parent, or a related corporation, partnership, estate, or trust.

If one of the exceptions in Part III(H) applies, check the appropriate box and do not complete lines 22 through 29. If you can establish that tax avoidance was not a principal purpose for either disposition, attach an explanation. The following are some examples that are not tax avoidance:

- The second disposition is also an installment sale and the payment terms are equal to or longer than the first installment sale.
- The property sold is not real property or real property improvements, and it is used by the related purchaser as inventory for sale in the ordinary course of conducting a trade or business.
- The second disposition is a charitable contribution but not a bargain sale, and the property is capital-gain type property for which an election under section 170(b)(1)(C)(iii) is not in effect.
- Certain tax-free transfers, certain like-kind exchanges, and in some cases bankruptcy of the related buyer.

D. Sale of Depreciable Property to Related Party

If you sell depreciable property to either your spouse or an 80%-owned entity, installment sale rules do not apply, unless it is established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for the sale.

For more information, including single sales of several assets, disposition of installment obligations, like-kind exchanges, and change in selling price, see **Publication 537**, *Installment Sales, and the regulations under section 453.*

Line-By-Line Instructions

For purposes of this form, do not include interest or carrying charges received, or unstated interest. For unstated interest, see **Publication 537.**

Line 1—Selling price.—Enter the money, face amount of the installment obligation, and the fair market value of other property, such as the buyer's note, that you received or will receive in exchange for the property sold. Include on line 1 any mortgage or other debt the buyer assumes or takes the property subject to.

If there is no stated maximum selling price, such as in a contingent sale, attach a schedule showing the computation of gain, and enter the taxable part on line 19 (and 27 if Part III applies). See the regulations under section 453.

Line 2—Mortgage and other indebtedness.—Enter only mortgages (or other indebtedness) the buyer assumes from the seller or takes the property subject to. Do not include new mortgages the buyer gets from a bank, the seller, or other source.

For information on wrap around mortgages, see regulations section 15A.453-1(b)(3)(ii).

Line 4—Cost or other basis of property sold.—Enter the original cost and other expenses you incurred in buying the property. Add the cost of improvements, etc. and subtract any casualty losses previously allowed. For more information, see **Publication 551**, Basis of Assets.

For purposes of this form, do not reduce line 4 or increase line 5 by any deduction taken in 1982 or later, under section 179.

Line 5—Depreciation allowed or allowable.—Enter all depreciation or amortization you deducted or should have deducted from the date of purchase until the date of sale.

Line 7—Commissions and other expenses of sale.—Enter sales commissions, advertising expenses, attorney and legal fees, etc., you incurred in selling the property.

Line 14—Gross profit ratio.—Enter the gross profit ratio determined in the year of sale whether or not you filed Form 6252 for that year.

Line 16—Payments received during the year.—Enter all money you received and the fair market value of any property you received in 1982. Do not include any mortgage on the property. If you did not receive any payments in 1982, enter zero.

If an amount was entered on line 24 in prior years, do not include it on this line. Include it, however, on line 18.

Line 18—Payments received in prior years.—Enter all money and the fair market value of property you received before 1982 from the sale.

Lines 20 and 28—Part or all of the gain from this sale may be subject to recapture as ordinary income. See Form 4797, Part III and instructions. If so, complete and attach Form 4797, Part III in the year of sale and show the entire selling price, basis, and gain. However, do not include installment sales in the totals on lines 24, 25, and 26 of Form 4797.

The taxable part of an installment sale must be treated as ordinary income until all the recapture has been used. Therefore, on Form 6252, line 20 or 28, enter the amount otherwise reportable on line 25 of Form 4797 to the extent of line 19 or 27 of Form 6252.

Enter the amount from Form 6252, line 20 or 28 on Form 4797, line 8(b). If Form 4797 is not otherwise required, enter this amount directly on your tax return on the line identified as from Form 4797. Identify it as from Form 6252.

Lines 21 and 29—Enter the amount from these lines on your Schedule D or Form 4797. On Schedule D, use the line identified as from Form 6252. On Form 4797, enter this amount on line 2(b) or line 9.

Line 22—If in 1982, the related party sold only part of the property from the original sale, enter the selling price of the part of the property resold. If part was sold in an earlier year and part was sold this year, enter the cumulative selling price.

Form **6765**

Department of the Treasury
Internal Revenue Service

Credit for Increasing Research Activities

▶ Attach to your tax return
▶ See instructions on back

OMB No. 1545-0619

1982
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Name(s) as shown on return

Identifying number

Part I Allowable Credit

		(a) CURRENT TAX YEAR	(b) BASE PERIOD
1 Wages for qualified services (do not include wages used in figuring the jobs credit)	1		
2 Cost of supplies used in conducting qualified research	2		
3 Rental or lease costs of personal property used in conducting qualified research	3		
4 65% of contract expenses for qualified research (but see line 5 below)	4		
5 Corporations—65% of amounts paid to qualified research organizations for basic research	5		
6 Total qualified research expenses (add lines 1 through 5 in columns (a) and (b))	6		

7 Subtract line 6 column (b) from line 6 column (a)	7	
8 Limitation—Enter 50% of line 6 column (a)	8	
9 Enter the smaller of line 7 or line 8	9	
10 Tentative credit—Enter 25% of line 9	10	
11 Carryback and carryover of unused credit(s)	11	
12 Allowable credit—Add lines 10 and 11	12	
13 Credit from a partnership (including any carryback and carryover of unused credit(s))	13	
14 Credit from an estate or trust (including any carryback and carryover of unused credit(s))	14	
15 Credit from a subchapter S corporation (including any carryback and carryover of unused credit(s))	15	
16 Total credit—Add lines 12, 13, 14, and 15	16	

Part II Tax Liability Limitation

17 a Individuals—From Form 1040, enter tax from line 38, plus any additional tax from Form 4970 b Estates and trusts—From Form 1041, enter tax from line 26a, plus any section 644 tax on trusts c Corporations (1120 filers)—From Form 1120, Schedule J, enter tax from line 3 d Other organizations—Enter tax before credits from return	17	
18 a Individuals—From Form 1040, enter credits from lines 41 through 47, plus any nonconventional source fuel credit and credit for alcohol used as a fuel b Estates and trusts—From Form 1041, enter credits from lines 27a through 27c, 28a, and 28b c Corporations (1120 filers)—From Form 1120, Schedule J, enter credits from lines 4(a)–(c), and 4(f)–(h) d Other organizations—See instructions for line 18d	18	
19 Income tax liability as adjusted (subtract line 18 from line 17)	19	

Part III Allowed Credit for Corporations

20 Allowed credit—Enter the smaller of line 19, Part II, or line 16, Part I here and on the appropriate line of your return. See instructions for line 20	20	

Part IV Allowed Credit for Individuals, Estates and Trusts

21 a Allowed credit for line 12, Part I—Enter the smallest of line 12, Part I; line 19, Part II; or the amount from the formula in the instructions for line 21	21a	
b Allowed credit for line 13, Part I—Enter the smallest of line 13, Part I; line 19, Part II; or the amount from the formula in the instructions for line 21.	21b	
c Allowed credit for line 14, Part I—Enter the smallest of line 14, Part I; line 19, Part II; or the amount from the formula in the instructions for line 21	21c	
d Allowed credit for line 15, Part I—Enter the smallest of line 15, Part I; line 19, Part II; or the amount from the formula in the instructions for line 21	21d	
22 Total credit allowed—Add lines 21a, 21b, 21c, and 21d. Do not enter more than line 19, Part II. Enter here and on the appropriate line of your return. See instructions for line 22	22	

For Paperwork Reduction Act notice, see back of form.

Instructions

(References are to the Internal Revenue Code)

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and so that we can figure and collect the correct amount of tax. You are required to give us this information.

Purpose of Form 6765.—Use Form 6765 to figure and claim the credit for increasing the research activities of a trade or business.

You may claim an income tax credit if you increase the research activities of a trade or business. The credit applies only to research expenditures incurred in carrying on a trade or business you are already engaged in. It does not apply to expenditures incurred before beginning a trade or business. Generally, the credit is 25% of the increase in qualified research expenses paid or incurred in the current tax year over base period research expenses.

Who Must File.—Any individual, estate, trust, organization or corporation claiming a credit for increasing research activities, or any subchapter S corporation, partnership, estate, or trust that shares the credit among its shareholders, partners, or beneficiaries, should attach this form to its income tax return.

Subchapter S corporations, partnerships, estates, or trusts that share the credit among their shareholders, partners, or beneficiaries must show on Schedule K–1, or on an attachment to Schedule K–1, the credit for each shareholder, partner or beneficiary.

For more details on allocation of the credit, see section 44F(f)(2).

Carryback and Carryover of Unused Credit.—Any credit that you cannot use because it is more than the adjusted tax liability figured on line 19 of Form 6765 or the tax liability computed in the formula in the instructions for line 21 of the form may be carried back to each of the 3 years before the year the unused credit originated (unused credit year), beginning with the earliest. If you have an unused credit after carryback, it may be carried forward to each of the 15 years after the unused credit year.

Special Rules

(1) Trades or Businesses that are Under Common Control.—For a group of trades or businesses that are under common control (whether or not incorporated), the credit for increasing research activities is figured as if all the organizations are one trade or business. The credit figured for the group must then be shared among the members of the group on the basis of each member's proportionate contribution to the increase in research expenses (line 7 of a separate Form 6765). See section 44F(f)(1).

(2) Adjustments for Certain Acquisitions and Dispositions.—If a major portion of a trade or business is acquired or disposed of after June 30, 1980, adjustments must be made to research expenses for the period before or after the acquisition or disposition. See section 44F(f)(3) for details.

(3) Short Tax Year.—For any short tax year, qualified research expenses are annualized as prescribed by regulations.

(4) Nonresident Aliens.—Nonresident aliens may also claim the research credit. On line 17 enter tax from Form 1040NR line 41 plus any additional taxes from Form 4970. On line 18 enter any credits from Form 1040NR lines 44 through 49 plus any nonconventional source fuel credit and credit for alcohol used as a fuel.

Publication 906.—For more detailed information, please get **Publication 906,** Jobs and Research Credits.

Specific Instructions

Note: If an individual shareholder, partner, or beneficiary is entitled to a credit for increasing research activities from two sources, such as from a sole proprietorship and a partnership, the credit of the proprietorship would be figured on lines 1 through 10 of Form 6765. The credit from the partnership would be entered on line 13 of the same form. Parts II and IV would be completed to determine the total credit (proprietorship credit on line 21a plus partnership credit on line 21b) to be entered on the individual taxpayer's Form 1040.

Lines 1 through 5, column b.—Base period research expenses are the average annual qualified research expenses for the 3 years immediately before the current tax year, except that for the second tax year that ends after June 30, 1981, the base period expenses are the average annual qualified research expenses for the 2 years immediately before the current tax year.

Line 4.—You may include 65% of any amount paid or incurred for qualified research performed on your behalf. Prepaid contract research expenses are considered to be paid in the year the research is actually done.

Line 5.—*Corporations.*—Contract research expenses also include 65% of any amount paid or incurred by a corporation to any qualified organization for basic research. The amount must be paid or incurred pursuant to a written research agreement between the corporation and the organization. Prepaid basic research expenses are considered to be paid in the year the research is actually done. See section 44F(e) for other details.

Qualified research does not include research conducted outside the U.S., research in the social sciences or humanities, and research to the extent funded by any grant, contract, or otherwise by another person (or any governmental entity). See section 44F for other exceptions and special rules.

Line 8.—Base period research expenses cannot be less than 50% of current year research expenses. This rule applies both to existing businesses and newly organized businesses.

Lines 13–15.—The credit figured on lines 1 through 16 by a subchapter S corporation, partnership, estate, or trust is apportioned to the individual shareholders, partners, or beneficiaries, respectively. This apportioned credit (and any unused credit from these entities) is entered on line 13, 14, or 15 of a separate Form 6765. Then complete Parts II and III or IV (whichever applies) of the separate Form 6765 to determine the allowed credit to be entered on their tax returns.

Line 16.—*Estates or trusts.*—An estate or trust completes lines 1 through 16 and apportions the credit on line 16 between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each. The estate or trust then enters its share of the credit on line 10 of a separate Form 6765 and completes lines 11 through 22, as applicable, to determine its allowed credit to be claimed on Form 1041. Both forms are attached to Form 1041 for the tax year the credit is earned. The beneficiaries' share will be apportioned to the individual beneficiaries and each beneficiary determines his or her allowed credit as explained above.

Line 18d.—*Other organizations.*—Before you can claim the research credit against your income tax liability, you must reduce this tax liability by the credits listed below:

- Foreign tax credit
- Investment credit
- Jobs credit, and WIN credit carryover
- Nonconventional source fuel credit
- Credit for alcohol used as a fuel
- Possessions corporation tax credit

Lines 20 and 22.—Claim the credit by including it in the appropriate line of your 1982 tax return. If the research credit is not listed separately on the return, include the credit on the "other credits" line; then write "RESEARCH CREDIT" and the amount in the margin.

Line 21 Limits.—If you are an individual, estate or trust, the credit on line 12, line 13, line 14, or line 15 is limited to the tax on line 19 that is attributable to your interest in each unincorporated business, partnership, estate, trust, or subchapter S corporation. This amount is figured separately for each business enterprise by using the following formula:

$$\text{Line 19} \times \frac{\text{Taxable income attributable to your interest in the unincorporated business, 1065, 1041, or 1120S entity}}{\text{Taxable income for the year (Form 1040, line 37)}}$$

If in the current tax year you had no taxable income attributable to a particular business interest, you cannot claim any current year credit for the research expenditures of that business.

Note: The carryback or carryover of an unused credit resulting from the application of any of the limitations (lines 21a, 21b, 21c, and 21d) is subject to these separate limitations in each year to which it is carried.

Form **6781**

Department of the Treasury
Internal Revenue Service

Gains and Losses From Commodity Futures Contracts and Straddle Positions

▶ To be filed with Form 1040, 1041, 1065, 1120, 1120S, etc.

OMB No. 1545-0644

1982

84

Name(s) as shown on tax return | Identifying number

A. ☐ Check here if you elect to carryback a net commodity futures loss. (See instructions)

B. ☐ Check here if you have made the mixed straddle election this year or last year. (See instructions)

Part I Regulated Futures Contracts Marked to Market

	a. Description of property	b. Date entered	c. Date closed or "open"	d. Gross sales price less expense of sale OR Fair market value	e. Cost or other basis as adjusted	f. LOSS	g. GAIN
1							

2 Add column f and column g, line 1 . . . . ( )

3 Combine line 2, column f and line 2, column g and enter the net gain or (loss) . . . .

4 If you have a net commodity futures loss and checked box A above, enter the amount to be carried back here . . . . ( )

5 Subtract line 4 from line 3 . . . .

6 Multiply line 5 by 40%. Enter as a short-term capital gain or (loss) on Schedule D, Part I. Identify as Form 6781, Part I .

7 Multiply line 5 by 60%. Enter as a long-term capital gain or (loss) on Schedule D, Part II. Identify as Form 6781, Part I .

Part II Gains and Losses From Straddle Positions (Attach a separate schedule listing each straddle and its components.)

Section A.—Losses From Straddle Positions

	a. Description of property	b. Date acquired	c. Date sold	d. Gross sales price less expense of sale	e. Cost or other basis as adjusted	f. LOSS If column e is more than d, enter difference. Otherwise, enter zero.	g. Unrealized gain on offsetting positions.	h. Recognized loss. If column f is more than g, enter difference. Otherwise, enter zero.
8								

9a Enter short-term portion of line 8, column h here and on Schedule D, Part I. Identify as Form 6781, Part II . . . . ( )

b Enter long-term portion of line 8, column h here and on Schedule D, Part II. Identify as Form 6781, Part II . . . . ( )

Section B.—Gains From Straddle Positions

	a. Description of property	b. Date acquired	c. Date sold	d. Gross sales price less expense of sale	e. Cost or other basis as adjusted	f. GAIN If column d is more than e, enter difference. Otherwise, enter zero.
10						

11a Enter short-term portion of line 10, column f here and on Schedule D, Part I. Identify as Form 6781, Part II .

b Enter long-term portion of line 10, column f here and on Schedule D, Part II. Identify as Form 6781, Part II .

Part III Unrealized Gains From Positions Held on Last Day of Tax Year. (Memo Entry Only—See Instructions)

	a. Description of property	b. Date acquired	c. Fair market value on last business day of tax year	d. Cost or other basis as adjusted	e. UNREALIZED GAIN If column c is more than d, enter difference. Otherwise, enter zero.
12					

For Paperwork Reduction Act Notice, see back of form.

363-151-1

Instructions

(Section references are to the Internal Revenue Code.)

Paperwork Reduction Act Notice.—We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form

Form 6781 is to be used by individuals, partnerships, fiducaries, corporations, etc. that held commodity futures contracts or straddle positions during the tax year.

Form 6781 is applicable to contracts and positions established after June 23, 1981. Property acquired or positions established before June 24, 1981 should be entered directly on Schedule D. However, if you made the section 508(c) or 509 election from Public Law 97–34, in 1981, also include on this form all regulated futures contracts and positions established before June 24, 1981. If either election was not made in 1981, they cannot be made in 1982 or later years.

Any transaction that is neither a regulated futures contract nor part of a straddle should be entered directly on your Schedule D instead of Form 6781.

Do not use Form 6781 to report hedging transactions, as defined in section 1256 (e). Report them directly on your tax return. Any gain or loss on a hedging transaction is treated as ordinary income or loss.

Elections

Net commodity futures loss election.—A taxpayer, other than a corporation, estate, or trust, that has a net commodity futures loss for 1982 may elect to carry it back to 1981. The amount which may be carried back cannot be more than the net commodity futures gain for 1981. See section 1212(c) for definition of net commodity futures loss and net commodity futures gain. Make the election by checking box A and entering the amount to be carried back in line 4. To carry your loss back, file an amended Form 6781 for 1981, together with a Form 1040X or amended return.

Mixed straddle election.—A mixed straddle is any straddle, at least one (but not all) of the positions of which is a regulated futures contract, and with respect to which each position forming part of such straddle is clearly identified by the close of the day on which it was acquired as being part of such straddle. You may elect not to have Part I apply to regulated futures contracts that are part of a mixed straddle. If you make this election, it will apply for all subsequent tax years as well. It cannot be revoked without the consent of the Commissioner. To make this election, check box B and report the regulated futures component in Part II instead of Part I. If you do not make this election, and you have a loss on the regulated futures component, reduce the loss by any unrealized gain on the non-regulated futures component before making an entry in Part I. You must also reduce the loss from any regulated futures component of a straddle which would be a mixed straddle if the positions were properly identified as such. Attach a computation and indicate in the property description that the contract is part of a mixed straddle.

Part I—Regulated Futures Contracts Marked to Market.

A regulated futures contract is a contract which requires delivery of personal property (as defined in instructions for Part II) or an interest in such property, with respect to which the amount required to be deposited or which may be withdrawn depends on a system of marking to market, and which is traded on or subject to the rules of either (1) a domestic board of trade designated as a contract market by the Commodity Futures Trading Commission or (2) any board of trade or exchange designated by the Secretary of the Treasury.

Include in Part I all regulated futures contracts (except those subject to a mixed straddle election) open at the end of your tax year or closed out during your tax year.

Column a.—Description of property.—Enter the commodity, contract price, quantity, delivery date, and indicate whether the property is a long or short position. Example: Wheat, $4.00 a bushel, 5,000 bushels, December 1983, long.

Column b.—Enter the date you entered into the regulated futures contract.

Column c.—If you closed out the regulated futures contract during 1982, enter the date closed. If you did not close during 1982, enter the word "open."

Columns d and e.—*Long contracts.*—If you entered into a long contract during your 1982 tax year, enter in column e the long contract price plus paid commissions. If you entered into the contract before then, enter the settlement price as of the close of the last business day of your 1981 tax year. If you closed the contract in 1982, enter in column d the closing contract price less commissions. If the contract is open at year end, enter the settlement price as of the close of the last business day of your 1982 tax year.

Short contracts.—If you entered into a short contract during your 1982 tax year, enter in column d the short contract price less paid commissions. If you entered into the contract before then, enter the settlement price as of the close of the last business day of your 1981 tax year. If you closed the contract during your 1982 tax year, enter in column e the closing contract price plus commissions. If the contract is open at year end, enter the settlement price as of the close of the last business day of your 1982 tax year.

Note: *Settlement price is without adjustment for anticipated commissions.*

Example: You enter into a contract to buy 5,000 bushels of wheat at $4.00 a bushel, and later close the contract at $3.80 a bushel. Enter $19,000 minus commissions in column d and $20,000 plus commissions in column e. If this was a short contract (a contract to sell), enter $20,000 minus commissions in column d and $19,000 plus commissions in column e.

Part II—Gains and Losses From Straddle Positions.

Attach a separate schedule listing each straddle and its component positions. If it is an identified or mixed straddle, indicate this on the schedule.

Use section A for losses from straddle positions. A loss is allowed only to the extent it exceeds the unrealized gain on offsetting positions. The part of the loss not allowed is treated as if incurred in the following year.

Use section B for gains from straddle positions.

Include in Part II positions that are part of an identified straddle. An *identified straddle* is any straddle (1) which is clearly identified on the taxpayer's records, before the close of the day on which the straddle is acquired, as an identified straddle, (2) all of the original positions of which were acquired on the same day and were either disposed of on the same day during the tax year or none were disposed of by the end of the tax year, and (3) were not part of a larger straddle.

Straddle.—A straddle means offsetting positions with respect to personal property.

Position.—A position means an interest (including a futures or forward contract or option) in personal property.

Personal Property.—Any personal property (other than stock) of a type which is actively traded.

Offsetting positions.—If there is a substantial decrease in risk of loss to a taxpayer holding a position because that taxpayer or a related party also holds one or more other positions, then those positions are offsetting.

If any position is not part of an identified straddle, such position can not be treated as offsetting any position that is part of an identified straddle.

Related parties.—In determining whether two or more positions are offsetting, the taxpayer shall be treated as holding any position held by a spouse. In addition, the taxpayer is treated as holding positions held by taxpayers which file a consolidated return with the taxpayer, and as holding positions held by flow through entities, to the extent the taxpayer has an interest in such entities.

For further information concerning definitions, flow through entities, and specific rules as to the tax treatment of gains and losses from straddle positions, see section 1092.

Columns a through e.—Enter the information similar to that required in Part I. In addition, if the property is part of an identified or mixed straddle, indicate this in column a. Include in column e interest and carrying charges properly allocable to personal property that is part of a straddle. You cannot deduct these expenses. See section 263(g) for definition of interest and carrying charges.

Section A, column f.—Include in this column any loss not allowed in the prior year to the extent of the unrealized gain.

Lines 9 and 11.—Separate recognized gains and losses into short-term and long-term. Attach a separate schedule. For the holding period for straddle positions, see section 1092(b).

Part III—Unrealized Gains From Positions Held on Last Day of Tax Year.

Section 1092 contains a reporting requirement. You must complete Part III by listing each position (whether or not part of a straddle) that you held at the end of the tax year (including any position you are treated as holding because it is held by a related party) if the settlement price of the position at such time exceeds your cost or other basis as adjusted.

Do not include the following in Part III:

- Positions that are part of an identified straddle;
- Property that is stock in trade or inventory;
- Positions that are part of a hedging transaction (as defined in section 1256(e));
- Property used in a trade or business subject to depreciation.

If you do not have a loss on any position (including a regulated futures contract) for the entire tax year, or your only loss was on a position listed above, do not complete this part.

☆ U.S. GOVERNMENT PRINTING OFFICE : 1982—O-363-151

Form **7004**
(Rev. Oct. 1982)
Department of the Treasury
Internal Revenue Service

Application for Automatic Extension of Time to File Corporation Income Tax Return

(Under section 6081(b) of the Internal Revenue Code)

OMB No. 1545-0233
Expires 8/31/85

Name of corporation

Number and street

City or town, State, and ZIP code

Employer identification number

Check type of return to be filed:

☐ Form 1120
☐ Form 1120L
☐ Form 1120M
☐ Form 1120-POL
☐ Form 1120F ► you do not have an office or place of business in the U.S.
☐ Form 1120S
☐ Form 1120-H
☐ Form 990-C
☐ Form 990-T
☐ Check here if

1 (a) I request an automatic 3-month extension of time until.........................., 19......., to file the income tax return of the corporation named above for calendar year 19....... or tax year ending ...., 19.........

(b) If this tax year is for less than 12 months, enter date tax year begins ...., 19.......; and check reason:
☐ Initial return ☐ Final return ☐ Change in accounting period approved ☐ Consolidated return to be filed

2 Does this application also cover subsidiaries to be included in a consolidated return? . . . . ☐ Yes ☐ No

If "Yes," complete the following:

Name and address of each member of the affiliated group	Employer identification number

3 (a) **Tentative amount of income tax for the tax year. Include any—**
Minimum tax on tax preference items
Personal holding company tax
Tax from recomputing a prior year investment credit
Foreign tax credit
Possession tax credit
Investment credit
Employee stock ownership credit (applies only to fiscal year 1982–83 corporations)
Jobs credit
Alcohol fuel credit
Nonconventional source fuel credit
Research credit

(b) Credits:
(i) Overpayment from prior year allowed as a credit
(ii) Estimated tax payments (deposits) for the tax year
(iii) Less refund of estimated tax for the tax year applied for on Form 4466
(iv) Credit from regulated investment companies; and credit for overpaid windfall profit tax
(v) Credit for Federal tax on special fuels and oils
(vi) **Total**—Add lines 3(b)(i) through 3(b)(v)

(c) Balance due—Subtract line 3(b)(vi) from line 3(a)
(d) Amount required to be deposited—50% of line 3(c)

Signature.—Under penalties of perjury, I declare that I have been authorized by the above-named corporation to make this application and that to the best of my knowledge and belief the statements made are true, correct, and complete.

.... (Signature of officer or agent) .... (Title) .... Date

For Paperwork Reduction Act Notice, see back of form.

Form **7004** (Rev. 10-82)

Instructions

(References are to the Internal Revenue Code.)

Paperwork Reduction Act Notice

We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Who May File

Form 7004 should be used by a corporation to request an automatic 3-month extension of time to file its income tax return.

The extension will be allowed if Form 7004 is filed properly by the due date and if the required amount of tax is deposited, as explained in the instructions below.

If the corporation needs an extension beyond the 3 months automatically allowed by filing Form 7004, you may file an application on Form 7005, Application for Additional Extension of Time to File Corporation Income Tax Return.

When and Where to File

File Form 7004 by the due date of the corporation's income tax return with the Internal Revenue Service Center where the corporation will file the return.

If the corporation's principal business, office or agency is located in	Use the following Internal Revenue Service Center address
New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester	Holtsville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05501
Alabama, Florida, Georgia, Mississippi, South Carolina	Atlanta, GA 31101
Michigan, Ohio	Cincinnati, OH 45999
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
Illinois, Iowa, Missouri, Wisconsin	Kansas City, MO 64999
California, Hawaii	Fresno, CA 93888
Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia	Memphis, TN 37501
Delaware, District of Columbia, Maryland, Pennsylvania	Philadelphia, PA 19255

If you are filing for a U.S. corporation that has its principal place of business outside the U.S., a corporation that claims a credit under section 936, or a foreign corporation that files Form 1120F, you should file Form 7004 with the Internal Revenue Service Center, Philadelphia, PA 19255.

Specific Instructions

Line 2—If a consolidated return will be filed, the parent corporation may request extensions for its subsidiaries. If you are requesting extensions for subsidiaries, check the Yes box on line 2 and list the name, address, and employer identification number of each subsidiary for which you are requesting an extension.

Line 3(a)—Tentative amount of income tax.—Enter the tentative amount of income tax for the tax year. Include in the computation the taxes and credits against tax listed under line 3(a) that apply to the corporation.

Line 3(b)—Credits.—On line 3(b)(i) through 3(b)(v) enter the amount of each payment, refund, or credit that applies to the corporation. Be sure to subtract line 3(b)(iii), any refund of estimated tax, from line 3(b)(ii), estimated tax payments. Add the amounts on lines 3(b)(i), (iii), (iv), and (v) and enter the total on line 3(b)(vi).

Line 3(b)(v)—Credit for withholding on interest and dividends.—A fiscal year corporation, whose tax year ends after June 30, 1983, can take a credit for the amount of tax withheld under section 3451 from interest, dividend, or patronage dividend income paid or credited after June 30, 1983, by a payor. Include the amount of the credit in the total for line 3(b)(v). In the margin, next to the entry on line 3(b)(v), write the amount of the credit and identify it as "section 31(b) credit".

Line 3(c)—Balance due.—Subtract line 3(b)(vi) from line 3(a). Interest will be charged at the rate provided by law on any part of the final tax due not shown on this line. The interest is figured from the original due date of the return to the date of payment.

Line 3(d)—Amount required to be deposited.—Enter 50% of the amount on line 3(c). This is the amount of tax you are required to deposit. However, if the corporation expects to have a net operating loss carryback, the corporation may reduce the amount to be deposited to the extent of the overpayment resulting from the carryback, providing all other prior year tax liabilities have been fully paid and a Form 1138, Extension of Time for Payment of Taxes by a Corporation Expecting a Net Operating Loss Carryback, accompanies Form 7004. See Rev. Rul. 82–47. 1982–1 C.B. 201 for details.

Caution: For tax years beginning after December 31, 1982, a corporation must pay the amount of unpaid taxes on line 3(c) within 2½ months after the end of the tax year. The election to pay in two equal installments will no longer be available.

Foreign corporations with an office or place of business in the United States and domestic corporations must deposit all income tax payments with a preinscribed Federal Tax Deposit (FTD) Form 503. Make these tax deposits with either a financial institution qualified as a depositary for Federal taxes or the Federal Reserve Bank or Branch (FRB) servicing the area where the corporation is located. Records of deposits will be sent to IRS for crediting to the corporation's account.

Preinscribed FTD Forms 503 will be mailed to the corporation on a regular basis depending on the corporation's tax year. You may apply for these forms from the Internal Revenue Service Center where the corporation files its return. If you do not have these forms when a deposit is due, mail your payment to the Internal Revenue Service Center where the corporation files its return. When applying for FTD Form 503 (and also when making a deposit without FTD Form 503), include the corporation's name, employer identification number, address, the tax year to which the deposits relate, and a statement identifying the corporation as foreign or domestic.

Penalty for Not Paying Tax.—Section 6651 provides a penalty for not paying tax (other than estimated income tax) when due.

The late payment penalty is ½% a month or part of a month unless you have reasonable cause for not paying on time. If you believe you have reasonable cause, attach an explanation to your return.

If you are allowed an extension of time to file, you will not be charged a late payment penalty if:

(1) You paid 50% of the tax shown on line 3(c) of Form 7004 by the regular due date of the return, and you pay the remaining 50% within 3 months after the regular due date;

(2) The tax shown on line 3(a) of Form 7004 (or the amount of tax paid by the regular due date of the return) is at least 90% of the tax shown on line 31 of Form 1120, or the comparable line on Form 1120F, 1120L, 1120M, 1120S, 990–C, 990–T, 1120–H, or 1120–POL; and

(3) You pay the balance due shown on the return by the extended due date of the return.

Signature

The person authorized by the corporation to sign the return should sign the Form 7004. This person may be:

(1) An officer of the corporation.

(2) A duly authorized agent holding a power of attorney.

(3) A person currently enrolled to practice before the Internal Revenue Service.

(4) An attorney or certified public accountant qualified to practice before the IRS.

Termination of Extension

The IRS may terminate the automatic extension at any time by mailing a notice of termination to the corporation or to the person who requested the extension. The notice will be mailed at least 10 days before the termination date given in the notice.

Form **7005**
(Rev. Dec. 1982)
Department of the Treasury
Internal Revenue Service

Application for Additional Extension of Time to File Corporation Income Tax Return

(To be used only by corporations and certain exempt organizations that have previously been granted an automatic 3-month extension on Form 7004.)

OMB No. 1545-0234
Expires 8/31/85

Please Print or Type	Name of organization	
	Number and street	
	City or town, State, and ZIP code	Employer identification number

Check type of return to be filed:

☐ Form 1120 ☐ Form 1120S ☐ Form 1120M ☐ Form 990–C
☐ Form 1120L ☐ Form 1120–H ☐ Form 1120–POL ☐ Form 990–T
☐ Form 1120F ▶ ☐ Check here if you do not have an office or place of business in the U.S.

1 I request an additional extension of time until ...., 19........, to file the return of the organization named above for calendar year 19 or tax year ending , 19 .

2 Enter the date of extension previously granted on Form 7004 ▶

3 Does this application also cover subsidiaries to be included in a consolidated return? . . . . ☐ Yes ☐ No
If "Yes," please list the subsidiaries on the back of this form.

4 Explain in detail why you need the additional extension of time to file (see instruction 4) ....

5 Expected income tax liability for the tax period minus any credits that apply . . . .

6 Payments made before this application:

(a) With Form 7004 application for automatic extension of time to file . . . . . .

(b) Other payments . . . .

(c) Total payments—Add lines 6(a) and 6(b) . . . .

7 Amount to be deposited (subtract line 6(c) from line 5). This amount must be deposited by the date entered on line 2 above . . . .

Signature

Under penalties of perjury, I declare that I am authorized to make this application for the above-named organization, and that to the best of my knowledge and belief the statements made are true, correct, and complete.

(Signature of officer or agent) (Title) (Date)

Notice to Applicant—To be Completed by Internal Revenue Service

☐ Your application for additional extension of time to file is granted to ...., 19......... Attach this form to the return when you file it as evidence that the extension was granted. Generally interest is charged on unpaid tax at the rate provided by law during the period of any extension. However, if you have elected to pay the tax in installments, interest on a late installment payment runs only from the due date of the installment.

☐ We cannot consider your application because it was filed after the expiration of a previous extension of time to file the return. You should file the return without delay. Please attach this form to the return to explain the delay in filing.

☐ The reasons given in your application do not warrant an extension. You should file the return within the extension of time previously allowed or within 10 days of the date below, whichever is later. The 10-day period granted will constitute a valid extension of time for purposes of elections otherwise required to be made on returns filed on time. To avoid penalties, please attach this form to the return.

Date Director

For Paperwork Reduction Act Notice, see back of form.

If a copy of this application is to be returned to the taxpayer at an address other than that shown on the front of the form, or to an agent acting for the taxpayer, please complete the section below:

Please Print or Type	Name
	Number and street
	City or town, State and ZIP code

If question 3 on the front of the form was answered "Yes," complete the following:

Name and address of each member of the affiliated group	Employer identification number

Paperwork Reduction Act Notice

The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Instructions

Who May File

A corporation (including an exempt organization required to file Forms 990-C, 990-T, or 1120-POL) that filed Form 7004 to request an automatic 3-month extension of time to file an income tax return may use Form 7005 to request an additional extension of time to file.

When to File

File Form 7005 early enough so that the Internal Revenue Service will be able to act on your request before the previous extension of time for filing expires.

How and Where to File

File two copies of this form with the Internal Revenue Service Center where the corporation will file the income tax return. The IRS will indicate on one of the copies whether the additional extension is granted or denied and return one copy to you. Attach the copy that IRS returns to you to the corporation's income tax return when you file it.

If you are filing for a U.S. corporation that has its principal place of business outside the U.S., a corporation that claims a credit under section 936 of the Internal Revenue Code, or a foreign corporation that files Form 1120F, file Form 7005 with the Internal Revenue Service Center, Philadelphia, PA 19255.

If the corporation's principal business, office, or agency is located in ▼	Use the following Internal Revenue Service Center address ▼
New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester	Holtsville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05501
Alabama, Florida, Georgia, Mississippi, South Carolina	Atlanta, GA 31101
Michigan, Ohio	Cincinnati, OH 45999
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
Illinois, Iowa, Missouri, Wisconsin	Kansas City, MO 64999
California, Hawaii	Fresno, CA 93888
Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia	Memphis, TN 37501
Delaware, District of Columbia, Maryland, Pennsylvania	Philadelphia, PA 19255

Specific Instructions

Line 1—Enter the date to which you want the filing period extended. The date may not be later than 6 months after the original due date of the return.

Line 3—If the parent corporation requested extensions for its subsidiaries on Form 7004 and you are requesting additional extensions for those subsidiaries on Form 7005, check the Yes box on line 3 and list each subsidiary's name, address, and employer identification number in the space provided.

Line 4—You will only be allowed an additional extension of time to file if you show reasonable cause why you cannot file within the extended period previously allowed. Therefore, explain in detail why you need more time.

Line 7—Amount to be deposited. Subtract line 6(c) from line 5. This is the amount you are required to deposit before the date shown on line 2.

Domestic corporations and foreign corporations with an office or place of business in the United States must deposit all income tax payments with a Federal Tax Deposit (FTD) Form 503. Make these tax deposits with either a financial institution qualified as a depositary for Federal Taxes or the Federal Reserve Bank or Branch (FRB) servicing the area where the corporation is located. Records of deposits will be sent to IRS for crediting to the corporation's account.

Penalties. The law provides a penalty for not filing a tax return by the date of extension. There is also a penalty for not paying the tax required to be shown on the return by the due date including any extensions of time for paying. Extensions of time to pay tax are granted separately. The additional time to file your income tax return does not extend the time to pay the tax. These penalties apply unless you have reasonable cause.

Signature. The person authorized by the corporation to sign the return should sign Form 7005. This person may be:

(1) An officer of the corporation.

(2) A duly authorized agent holding a power of attorney.

(3) A person currently enrolled to practice before the Internal Revenue Service.

(4) An attorney or certified public accountant qualified to practice before the IRS.

Form Approved
OMB No. 48-RO-546

OFFICIAL USE ONLY

Department of the Treasury
Form 90-22.1 (9-78)
SUPERSEDES ALL PREVIOUS EDITIONS

REPORT OF FOREIGN BANK AND FINANCIAL ACCOUNTS

For the calendar year 19.......

This form should be used to report financial interest in or signature authority or other authority over one or more bank accounts, securities accounts, or other financial accounts in foreign countries as required by Department of the Treasury Regulations (31 CFR 103). You are not required to file a report if the aggregate value of the accounts did not exceed $1,000. Check all appropriate boxes. SEE INSTRUCTIONS ON BACK FOR DEFINITIONS.

1. Name (Last, First, Middle)	2. Social security number or employer identification number if other than individual	3. Name in item 1 refers to ☐ Individual ☐ Partnership ☐ Corporation ☐ Fiduciary
4. Address (Street, City, State, Country, ZIP)		

5. ☐ I had signature authority or other authority over one or more foreign accounts, but I had no "financial interest" in such accounts (see instruction J). Indicate for these accounts:

(a) Name and social security number or taxpayer identification number of each owner ....

(b) Address of each owner ....

(Do not complete item 9 for these accounts)

6. ☐ I had a "financial interest" in one or more foreign accounts owned by a domestic corporation, partnership or trust which is required to file Form 90-22.1. (See instruction L). Indicate for these accounts:

(a) Name and taxpayer identification number of each such corporation, partnership or trust ....

(b) Address of each such corporation, partnership or trust ....

(Do not complete item 9 for these accounts)

7. ☐ I had a "financial interest" in one or more foreign accounts, but the total maximum value of these accounts (see instruction I) did not exceed $10,000 at any time during the year. (If you checked this box, do not complete item 9).

8. ☐ I had a "financial interest" in 25 or more foreign accounts. (If you checked this box, do not complete item 9.)

9. If you had a "financial interest" in one or more but fewer than 25 foreign accounts which are required to be reported, and the total maximum value of the accounts exceeded $10,000 during the year (see instruction I), write the total number of those accounts here: ☐
Complete items (a) through (f) below for one of the accounts and attach a separate Form 90-22.1 for each of the others.
Items 1, 2, 3, 9, and 10 must be completed for each account. Check here if this is an attachment. ☐

(a) Name in which account is maintained	(b) Name of bank or other person with whom account is maintained
(c) Number and other account designation, if any	(d) Address of office or branch where account is maintained

(e) Type of account. (If not certain of English name for the type of account, give the foreign language name and describe the nature of the account. Attach additional sheets if necessary.)

☐ Bank Account ☐ Securities Account ☐ Other (specify) ....

(f) Maximum value of account (see instruction I)

☐ Under $10,000 ☐ $10,000 to $50,000 ☐ $50,000 to $100,000 ☐ Over $100,000

10. Signature	11. Title (Not necessary if reporting personal account)	12. Date

PRIVACY ACT NOTIFICATION

Pursuant to the requirements of Public Law 93-579, (Privacy Act of 1974), notice is hereby given that the authority to collect information on Form 90-22.1 in accordance with 5 U.S.C. 552(e)(3) is Public Law 91-508; 31 U.S.C. 1121; 5 U.S.C. 301, 31 CFR Part 103.

The principal purpose for collecting the information is to assure maintenance of reports or records where such reports or records have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings. The information collected may be provided to those officers and employees of any constituent unit of the Department of the Treasury who have a need for the records in the performance of their duties. The records may be referred to any other department or agency of the Federal Government upon the request of the head of such department or agency for use in a criminal, tax, or regulatory investigation or proceeding.

Disclosure of this information is mandatory. Civil and criminal penalties, including under certain circumstances a fine of not more than $500,000 and imprisonment of not more than five years, are provided for failure to file a report, supply information, and for filing a false or fraudulent report.

Disclosure of the social security number is mandatory. The authority to collect this number is 31 CFR 103. The social security number will be used as a means to identify the individual who files the report.

STRUCTIONS

A. Who Must File a Report—Each United States person who has a financial interest in or signature authority or other authority over bank, securities, or other financial accounts in a foreign country, which exceeded $1,000 in aggregate value at any time during the calendar year, must report that relationship each calendar year by filing Form 90-22.1 with the Department of the Treasury on or before June 30, of the succeeding year.

An officer or employee of a commercial bank which is subject to the supervision of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation need not report that he has signature or other authority over a foreign bank, securities or other financial account maintained by the bank unless he has a personal financial interest in the account.

In addition, an officer or employee of a domestic corporation whose securities are listed upon national securities exchanges or which has assets exceeding $1 million and 500 or more shareholders of record need not file such a report concerning his signature authority over a foreign financial account of the corporation, if he has no personal financial interest in the account and has been advised in writing by the chief financial officer of the corporation that the corporation has filed a current report which includes that account.

B. United States Person—The term "United States person" means (1) a citizen or resident of the United States, (2) a domestic partnership, (3) a domestic corporation, or (4) a domestic estate or trust.

C. When and where to File—This report shall be filed on or before June 30 each calendar year with the Department of the Treasury, Post Office Box 28309, Central Station, Washington, D.C., 20005.

D. Account in a Foreign Country—A "foreign country" includes all geographical areas located outside the United States, Guam, Puerto Rico, and the Virgin Islands.

Report any account maintained with a bank (except a military banking facility as defined in instruction E) or broker or dealer in securities that is located in a foreign country, even if it is a part of a United States bank or other institution. Do not report any account maintained with a branch, agency, or other office of a foreign bank of other institution that is located in the United States, Guam, Puerto Rico, and the Virgin Islands.

E. Military Banking Facility—Do not consider as an account in a foreign country, an account in an institution known as a "United States military banking facility" (or "United States military finance facility") operated by a United States financial institution designated by the United States Government to serve U.S. Government installations abroad, even if the United States military banking facility is located in a foreign country.

F. Bank, Financial Account—The term "bank account" means a savings, demand, checking, deposit, loan or any other account maintained with a financial institution or other person engaged in the business of banking. It includes certificates of deposit.

The term "securities account" means an account maintained with a financial institution or other person who buys, sells, holds, or trades stock or other securities for the benefit of another.

The term "other financial account" means any other account maintained with a financial institution or other person who accepts deposits, exchanges or transmits funds, or acts as a broker or dealer for future transactions in any commodity on (or subject to the rules of) a commodity exchange or association.

G. Financial Interest—A financial interest in a bank, securities, or other financial account in a foreign country means an interest described in either of the following two paragraphs:

(1) A United States person has a financial interest in each account for which such person is the owner of records or has legal title, whether the account is maintained for his or her own benefit or for the benefit of others including non-United States persons. If an account is maintained in the name of two persons jointly, or if several persons each own a partial interest in an account, each of those United States persons has a financial interest in that account.

(2) A United States person has a financial interest in each bank, securities, or other financial account in a foreign country for which the owner of record or holder of legal title is: (a) a person acting as an agent, nominee, attorney, or in some other capacity on behalf of the U.S. person; (b) a corporation in which the United States person owns directly or indirectly more than 50 percent of the total value of shares of stock; (c) a partnership in which the United States person owns an interest in more than 50 percent of the profits (distributive share of income); or (d) a trust in which the United States person either has a present beneficial interest in more than 50 percent of the assets or from which such person receives more than 50 percent of the current income.

H. Signature or Other Authority Over an Account—

Signature Authority—A person has signature authority over an account if such person can control the disposition of money or other property in it by delivery of a document containing his or her signature (or his or her signature and that of one or more other persons) to the bank or other person with whom the account is maintained.

Other authority exists in a person who can exercise comparable power over an account by direct communication to the bank or other person with whom the account is maintained, either orally or by some other means.

I. Account Valuation—For items 7, 9, and Instruction A, the maximum value of an account is the largest amount of currency and non-monetary assets that appear on any quarterly or more frequent account statement issued for the applicable year. If periodic account statements are not so issued, the maximum account asset value is the largest amount of currency and non-monetary assets in the account at any time during the year. Convert foreign currency by using the official exchange rate at the end of the year. In valuing currency of a country that uses multiple exchange rates, use the rate which would apply if the currency in the account were converted into United States dollars at the close of the calendar year.

The value of stock, other securities or other non-monetary assets in an account reported on Form 90-22.1 is the fair market value at the end of the calendar year, or if withdrawn from the account, at the time of the withdrawal.

For purposes of items 7, 9, and Instruction A, if you had a financial interest in more than one account, each account is to be valued separately in accordance with the foregoing two paragraphs.

If you had a financial interest in one or more but fewer than 25 accounts, and you are unable to determine whether the maximum value of these accounts exceeded $10,000 at any time during the year, check item 9 (do not check item 7) and complete item 9 for each of these accounts.

J. United States Persons with Authority Over but No Interest in an Account—Except as provided in Instruction A and the following paragraph, you must state the name, address, and identifying number of each owner of an account over which you had authority, but if you check item 5 for more than one account of the same owner, you need identify the owner only once.

If you check item 5 for one or more accounts in which no United States person had a financial interest, you may state on the first line of this item, in lieu of supplying information about the owner, "No U.S. person had any financial interest in the foreign accounts." This statement must be based upon the actual belief of the person filing this form after he or she has taken reasonable measures to endure its correctness.

If you check item 5 for accounts owned by a domestic corporation and its domestic and/or foreign subsidiaries, you may treat them as one owner and write in the space provided, the name of the parent corporation, followed by "and related entities," and the identifying number and address of the parent corporation.

K. Consolidated Reporting—

A corporation which owns directly or indirectly more than 50 percent interest in one or more other entities will be permitted to file a consolidated report on Form 90-22.1, on behalf of itself and such other entities provided that a listing of them is made part of the consolidated report. Such reports should be signed by an authorized official of the parent corporation.

If the group of entities covered by a consolidated report has a financial interest in 25 or more foreign financial accounts, the reporting corporation need only note that fact on the form; it will, however, be required to provide detailed information concerning each account when so requested by the Secretary or his delegate.

L. Avoiding Duplicate Reporting—If you had financial interest (as defined in instruction G(2)(b), (c) or (d) in one or more accounts which are owned by a domestic corporation, partnership or trust which is required to file Form 90-22.1 with respect to these accounts in lieu of completing item 9 for each account you may check item 6 and provide the required information.

M. Providing Additional Information—Any person who does not complete item 9, shall when requested by the Department of the Treasury provide the information called for in item 9.

N. Signature (Item 10)—*This report must be signed* by the person named in Item 1. If the report is being filed on behalf of a partnership, corporation, or fiduciary, it must be signed by an authorized individual.

O. Penalties—For criminal penalties for failure to file a report, supply information, and for filing a false or fraudulent report see 31 U.S.C. 1058, 31 U.S.C. 1059, and 18 U.S.C. 1001.

Description of Some Principal Federal Tax Forms

This is a list of Federal tax forms most frequently used by taxpayers or their representatives.

A complete listing of Federal tax forms can be purchased from the Superintendent of Documents, Washington, DC 20402. Ask for IRS Publication 676, Stock Number 048–004–01829–2.

W–2 (1982) (6-part form)

Wage and Tax Statement (For Use in Cities and States Authorizing Combined Form).

Used to report wages, tips and other compensation, third-party sick pay, employee FICA tax, income tax withheld, state or city income tax withheld, and to support credits shown on individual income tax return.

Emp.-IRC sec. 6051; Regs. secs. 1.6041–2 and 31.6051–1; Circular E

W–2c

Statement of Corrected Income and Tax Amounts.

Used by employers and other payers to correct previously filed Forms W–2 for any year after 1977. Transmitted by use of Form W–3c, Transmittal of Corrected Income and Tax Statements.

Emp.-IRC sec. 6051; Regs. sec. 31.6051–1(c)

W–2P (1982)

Statement For Recipients of Periodic Annuities, Pensions, Retired Pay, or IRA Payments.

Used to report annuities, pensions, and retirement pay; Federal and state income tax withheld.

Emp.-IRC sec. 3402(o); Regs. sec. 31.3402(o)–2(f); Circular E

W–3 (1982)

Transmittal of Income and Tax Statements.

Used by employers and other payers to transmit wage and income tax withheld statements (Forms W–2 and W–2P).

Emp.-IRC sec. 6011; Regs. sec. 31.6051–2

W–4 (Rev. 1–83)

Employee's Withholding Allowance Certificate.

Filed by employee with employer so that proper amount of income tax can be withheld from wages. Also used by employee to certify that he or she had no liability for income tax for preceding taxable year and anticipates that no liability will be incurred for current taxable year (qualifying employee will then be exempt from Federal income tax withholding).

Emp.-IRC secs. 3402(f), 3402(i), 3402(m), 3402(n); Regs. secs. 31.3402(f)(5)–1, 31.3402(n)–1; Circular E

W–5 (1983)

Earned Income Credit Advance Payment Certificate.

Used by employee to request employer to furnish advance payment of earned income credit with the employee's pay.

IRC sec. 3507

W–6 (1983)

Individual Certificate of Exemption (From Withholding on Interest and Dividends).

Used by an individual recipient of interest or dividends to claim exemption from the 10% withholding requirement of section 3451. Also used to revoke a previously claimed exemption.

Emp.-IRC sec. 3452

706 (Rev. 11–81)
(For decedents dying before Jan. 1, 1982)

706 (Rev. 6–82)
(For decedents dying after Dec. 31, 1981)

United States Estate Tax Return.

Used for the estate of a deceased United States resident or citizen.

E&G-IRC sec. 6018; Regs. sec. 20.6018–1; Separate instructions

709 (Rev. 7–82)

United States Gift Tax Return.

Used to report gifts made after Dec. 31, 1981, in excess of $10,000, and gifts of a future interest in property regardless of value.

E&G-IRC sec. 6019; Regs. sec. 25.6019–1; Separate instructions

709–A (Rev. 7–82)

United States Short Form Gift Tax Return.

Used by married couples to report nontaxable gifts of $20,000 or less per donee.

E&G-IRC sec. 2513; Regs. sec. 25.2513–2

712 (Rev. 10–81)

Life Insurance Statement.

Used with Form 706 or Form 709.

E&G-IRC secs. 6001 and 6018; Regs. secs. 20.6001–1, 20.6018–4(d), 25.6001–1

940 (1982)

Employer's Annual Federal Unemployment Tax Return.

Used by employers to report FUTA tax. A two-part set containing an original and duplicate copy of Form 940, with instructions for preparation.

Emp.-IRC sec. 6011; IRC Chapter 23; Regs. sec. 31.6011(a)–3; Circular E

941c (Rev. 7–82)

Statement to Correct Information Previously Reported Under the Federal Insurance Contributions Act.

Used to correct FICA wage, FICA tax, and income tax reports previously submitted by employers.

Emp.-IRC Chapter 21; Regs. secs. 31.6011(a)–1, 31.6205–1, 31.6402(a)–2; Circulars A and E

943 (1982)

Employer's Annual Tax Return for Agricultural Employees.

Used by agricultural employers to report FICA and income taxes withheld.

Emp.-IRC secs. 3101, 3111 and 3402; Regs. sec. 31.6011(a)–1; Circular A

990 (1982)

Return of Organization Exempt From Federal Income Tax (Except Private Foundation).

Used by organizations exempt under IRC section 501(a) and described in section 501(c) other than private foundations. (An information return.)

IT-IRC sec. 6033; Regs. sec. 1.6033–1(a)(2); Separate instructions

Schedule A (Form 990) (1982)

Organization Exempt Under 501(c)(3) (Supplementary Information).

Used by organizations described in IRC section 501(c)(3) (other than private foundations filing Form 990–PF).

IT-IRC sec. 6033; Separate instructions

990–C (1982)

Exempt Cooperative Association Income Tax Return.

Used by Farmers' Cooperative Marketing and Purchasing Associations exempt under IRC sec. 521.

IT-IRC secs. 521, 522, 1381, 1382, 1383, 1385, 1388, 6012; Regs. secs. 1.521–1, 1.522–1 1.1381–1, 2, 1.1382–1, 2, 3, 4, 5, 6, 7, 1.1383–1, 1.1385–1, 1.1388–1, 1.6012–2(f); Separate instructions

990–PF (1982)

Return of Private Foundation or Section 4947(a)(1) Trust Treated as a Private Foundation.

Used by private foundations and section 4947(a)(1) trusts. (An information return.)

IT-IRC sec. 6033; IRC Chapter 42; Regs. sec. 1.6033–2; Separate instructions

990–T (1982)

Exempt Organization Business Income Tax Return.

Used by exempt organization with unrelated business income (under section 511 of the IRC).

IT-IRC secs. 511 and 6012; Regs. secs. 1.6012–2(e), 1.6012–3(a)(5); Separate instructions

1040 (1982)

U.S. Individual Income Tax Return.

Used by citizens and residents of the United States to report income tax. Also see Form 1040A and Form 1040EZ.

IT-IRC secs. 6012 and 6017; Regs. secs. 1.142–1, 1.6012–1, and 1.6017–1; Pub. 17; Separate instructions

Sch. A (Form 1040) (1982)

Itemized Deductions.

Used to report itemized deductions (medical and dental expenses, taxes, contributions, interest, and miscellaneous deductions).

IT-IRC secs. 163, 164, 165, 170, 211, 212, 213, and 222; Pub. 17; Separate instructions

Sch. B (Form 1040) (1982)

Interest and Dividend Income.

Used to list gross dividends (if in excess of $400), to exclude stock dividends from a reinvestment plan of a qualified public utility, to report any interest from an All-Savers Certificate, and to report other interest income (if in excess of $400) received; also used to answer questions about Foreign Accounts and Foreign Trusts.

IT-IRC secs. 61, 116, 128, 305(e) and 6012; Pub. 17; Separate instructions

Sch. C (Form 1040) (1982)

Profit or (Loss) from Business or Profession.

Used to compute profit (or loss) from business or profession.

IT-IRC sec. 6017; Regs. sec. 1.6017–1; Pubs. 17 and 334; Separate instructions

Sch. D (Form 1040) (1982)

Capital Gains and Losses.

Used to report details of gain (or loss) from sales and exchanges of capital assets and to compute post-1969 capital loss carryovers from 1982 to 1983.

IT-IRC secs. 1202–1223; Pubs. 17 and 334; Separate instructions

Sch. E (Form 1040) (1982)

Supplemental Income Schedule.

Used to report income from rents, royalties, partnerships, small business corporations, estates, trusts, etc.

IT-IRC secs. 6012 and 6017; Regs. secs. 1.6012–1 and 1.6017–1; Pub. 17; Separate instructions

Sch. F (Form 1040) (1982)

Farm Income and Expenses.

Used to compute profit (or loss) from farming.

IT-IRC sec. 6012; Regs. sec. 1.61–4; Pub. 225; Separate instructions

Sch. G (Form 1040) (1982)

Income Averaging.

Used to determine whether tax computed under the averaging provisions is the most advantageous method.

IT-IRC secs. 1301 and 1305

Sch. R&RP (Form 1040) (1982)

Credit for the Elderly.

Used to compute the credit for the elderly for individuals 65 or over and individuals under 65 having public retirement system income.

IT-IRC sec. 37; Pub. 17; Separate instructions

Sch. SE (Form 1040) (1982)

Computation of Social Security Self-Employment Tax.

Used to compute self-employment income and self-employment tax.

IT-IRC secs. 1401 and 1402; Separate instructions

Sch. W (Form 1040) (1982)

Deduction for a Married Couple When Both Work.

Used to compute the deduction allowed to a married couple filing jointly when both have qualified earned income.

IT-IRC sec. 221; Pub. 17

1040A (1982)

U.S. Individual Income Tax Return.

Used by citizens and residents of the United States to report income tax.

IT-IRC sec. 6012; Regs. sec. 1.6012–1; Separate instructions

1040–ES (1983)

Estimated Tax for Individuals.

Used to make estimated tax payments as a means for paying currently any income tax (including self-employment tax) due in excess of the tax withheld from wages, salaries, and other payments for personal services. It is not required unless the total tax exceeds withholding (if any) and applicable tax credits by $300 or more.

IT-IRC sec. 6015; Regs. sec. 1.6015(d)–1

1040EZ (1982)

Income Tax Return for Single Filers with No Dependents

Used by citizens and residents of the United States to report income tax. Also see Form 1040A.

IT–IRC sec. 6012; Regs. sec. 1.6012–1; Separate instructions

1040NR (1982)

U.S. Nonresident Alien Income Tax Return.

Used by all nonresident alien individuals who file a U.S. tax return, whether or not engaged in a trade or business within the United States. Also used as required for filing nonresident alien fiduciary (estate and trust) returns.

IT-IRC secs. 871 and 6012; Pub. 519; Separate instructions

1040X (Rev. 10–82)

Amended U.S. Individual Income Tax Return.

Used to claim refund of income taxes, pay additional income taxes, or designate dollar(s) to a Presidential Election Campaign Fund.

IT-IRC secs. 6402, 6404, 6511, and 6096; Separate instructions

1041 (1982)

U.S. Fiduciary Income Tax Return (For Estates and Trusts).

Used by a fiduciary for domestic estate or domestic trust. (An annual return.)

IT-IRC sec. 6012; Regs. secs. 1.671–4, 1.6012–3(a), 1.6041–1; Separate instructions

Sch. D (Form 1041) (1982)

Capital Gains and Losses.

Used to report details of gain (or loss) from sales or exchanges of capital assets.

IT-IRC sec. 6012; Regs. sec. 1.6012–3; Separate instructions

Sch. K–1 (Form 1041) (1982)

Beneficiary's Share of Income, Deductions, Credits, etc.

Used to report each beneficiary's share of the income, deductions, credits, and items of tax preference from the estate or trust.

IT-IRC sec. 6012; Regs. secs. 1.6012–3 (a) and 1.6041–1

Sch. J (Form 1041) (1982)

Trust Allocation of an Accumulation Distribution (IRC Section 665).

Used for domestic complex trusts.

IT-IRC secs. 665, 666, and 667

1065 (1982)

U.S. Partnership Return of Income.

Used by partnerships as an information return.

IT-IRC secs. 6031 and 6698; Regs. secs. 1.761–1(a), 1.6031–1 and 1.6033–1(a)(5); Separate instructions

Sch. K–1 (Form 1065) (1982)

Partner's Share of Income, Credits, Deductions, etc.

Used to show partner's share of income, credits, deductions, etc. A four-part assembly—Copy A is filed with Form 1065, Copy B is for partnership records, and Copy C is given to each partner. The last part is instructions for the partner.

IT-IRC secs. 702 and 703

1087–ASC (1982)

1087–DIV (1982)

1087–INT (1982)

1087–MED (1982)

1087–MISC (1982)

1087–OID (1982)

Persons receiving Forms 1099–ASC, 1099–DIV, 1099–INT, 1099–MED, 1099–MISC, or 1099–OID who are not the actual owners of that income, but received it as a nominee on behalf of another person, should file a similar Form 1087 to designate the actual owner of that income.

1096 (1982)

Annual Summary and Transmittal of U.S. Information Returns.

Used for summarizing and transmitting reports on Forms 1087–ASC, 1087–DIV, 1087–INT, 1087–MED, 1087–MISC, 1087–OID, 1099–ASC, 1099–BCD, 1099–DIV, 1099F, 1099–INT, 1099L, 1099–MED, 1099–MISC, 1099–NEC, 1099–OID, 1099–PATR, 1099R, and 1099–UC.

IT-IRC secs. 6041, 6042, 6043, 6044, 6047, 6049, 6050A, 6050B; Separate instructions

1099–DIV (1982)

Statement for Recipients of Dividends and Distributions.

Used to report dividends and distributions.

IT-IRC sec. 6042

1099F (1982)

Statement for Certain Fishing Boat Crewmembers.

Used by fishing boat owners or operators to report payments to crew members of proceeds from sale of catch or distributions in kind.

IT-IRC sec. 6050A

1099–INT (1982)

Statement for Recipients of Interest Income.

Used to report interest income.

IT-IRC sec. 6049

1099L (1982)

U.S. Information Return for Distributions in Liquidation During the Calendar Year.

Used to report a distribution of $600 or more made during the year to a shareholder.

IT-IRC sec. 6043

1099–MED (1982)

Statement for Recipients of Medical and Health Care Payments.

Used to report payments totaling $600 or more during the year to a physician or other supplier or provider of services under health, accident and sickness insurance plans or medical assistance programs.

IT-IRC sec. 6041; Rev. Rul. 69–595, 1969–2 C.B. 242, and Rev. Rul. 70–608, 1970–2 C.B. 286

1099–MISC (1982)

Statement for Recipients of Miscellaneous Income.

Used to report rents, royalties, prizes and awards (but not for services rendered).

IT-IRC sec. 6041

1099–NEC (1982)

Statement for Recipients of Nonemployee Compensation.

Used to report fees, commissions, or any other compensation for services rendered in the course of the payer's business when the recipient is not treated as an employee. Also includes expenses incurred for use of an entertainment facility when such use is treated as compensation.

IT-IRC sec. 6041

1099–OID (1982)

Statement for Recipients of Original Issue Discount.

Used to report original issue discount.

IT-IRC secs. 6049 and 1232

1099–PATR (1982)

Statement for Recipients (Patrons) of Taxable Distributions Received from Cooperatives.

Used to report patronage dividends.

IT-IRC sec. 6044

1099R (1982)

Statement for Recipients of Total Distributions from Profit Sharing, Retirement Plans, and Individual Retirement Arrangements.

Used to report total distributions from profit sharing, retirement plans, and individual retirement arrangements.

IT-IRC secs. 6047, 402, 408

1116 (1982)

Computation of Foreign Tax Credit—Individual, Fiduciary, or Nonresident Alien Individual.

Used to support the foreign tax credit claimed for the amount of any income, war profits, and excess profits taxes paid or accrued during the tax year to any foreign country or U.S. possession.

IT-IRC secs. 901 and 904; Pub. 514; Separate instructions

Sch. A (Form 1116) (1982)

Schedule of Foreign Taxable Income and Foreign Taxes Paid or Accrued.

Used as an attachment to Form 1116, Computation of Foreign Tax Credit—Individual, Fiduciary, or Nonresident Alien Individual, to support the foreign tax credit claimed when income has been derived from or taxes have been paid to more than one foreign country or U.S. possession.

IT-IRC secs. 901 and 904; Pub. 514; Separate instructions

1120 (1982)

U.S. Corporation Income Tax Return.

Used by a corporation to report income tax.

IT-IRC sec. 6012; Regs. secs. 1.1502–75(h), 1.831–3(c), 1.6012–2; Separate instructions

Sch. D (Form 1120) (1982)

Capital Gains and Losses.

Used by a taxpayer who files either Forms 1120, 1120–DISC, 1120F, 1120–H, 1120L, 1120M, 1120–POL, 990–C, or certain Forms 990–T, to report details of gain (or loss) from sales or exchanges of capital assets, and to figure the alternative tax.

IT-IRC secs. 1201 and 1231

Sch. PH (Form 1120) (1982)

Computation of U.S. Personal Holding Company Tax.

Used to compute personal holding company tax; filed with the income tax return of every personal holding company.

IT-IRC secs. 541, 6012, 6501(f)

1120–DISC (1982)

Domestic International Sales Corporation Return.

Used for a tax year relating to a DISC.

IT-IRC secs. 6011(c), 6072(b); Separate instructions

Sch. K (Form 1120–DISC) (1982)

Shareholder's Statement of DISC Distribution.

Used to report deemed and actual distributions from a DISC to shareholders.

IT-IRC sec. 6011(c)

Sch. N (Form 1120–DISC) (1982)

Export Gross Receipts of the DISC and Related U.S. Persons.

Used to report gross receipts of the DISC and certain related persons.

IT-IRC sec. 6011(c); Separate instructions

1120F (1982)

U.S. Income Tax Return of a Foreign Corporation.

Used by foreign corporations to report income tax.

IT-IRC secs. 881, 882, and 6012; Separate instructions

1120S (1982)

U.S. Small Business Corporation Income Tax Return.

Used by qualifying small business corporations that make the election prescribed by IRC section 1372.

IT-IRC sec. 6037, Subchapter S; Regs. sec. 1.6037–1; Separate instructions

Sch. D (Form 1120S) (1982)

Capital Gains and Losses.

Used by qualifying small business corporations that make the election prescribed by IRC section 1372 to report details of gains (and losses) from sales or exchanges of capital assets and to figure the tax imposed on certain capital gains.

IT-IRC secs. 1201, 1231, and IRC Subchapter S

Sch. K–1 (Form 1120S) (1982)

Shareholder's Share of Undistributed Taxable Income, etc.

Used by shareholders, a three-part assembly—Copy A is filed with Form 1120S, Copy B is given to each shareholder, and Copy C is for corporate records.

IT-IRC sec. 6037; Regs. sec. 1.6037–1

1120–W (Worksheet) (1983)

Corporation Estimated Tax.

Used as a worksheet by corporations to compute estimated tax liability; not required to be filed. Corporations should keep it for their records.

IT-IRC sec. 6154

1120X (Rev. 10–82)

Amended U.S. Corporation Income Tax Return.

Used by corporations to amend a previously filed Form 1120.

IT-Regs. sec. 301.6402–3

1139 (Rev. 11–82)

Corporation Application for Tentative Refund.

Used by corporations which have certain carrybacks and desire a quick refund of taxes.

IT-IRC sec. 6411

1310 (Rev. 8–81)

Statement of Person Claiming Refund Due a Deceased Taxpayer.

Used by a claimant to secure payment of refund on behalf of a deceased taxpayer.

IT-IRC sec. 6402; Regs. sec. 301.6402–2(e); Pubs. 17 and 559

2106 (1982)

Employee Business Expenses.

For optional use to support deductions from income tax for travel, transportation, outside salesperson or educational expenses (except moving expenses).

IT-IRC sec. 162

2119 (1982)

Sale or Exchange of Principal Residence.

For use by individuals who sold their principal residence. Also used by those individuals 55 or older who elect to exclude gain on the sale of their principal residence.

IT-IRC secs. 121 and 1034; Pubs. 17 and 523

2120 (Rev. 10–81)

Multiple Support Declaration.

Used as a statement disclaiming as an income tax exemption an individual to whose support the taxpayer and others have contributed.

IT-IRC sec. 152(c); Regs. sec. 1.152–3 (c); Pub. 17

2210 (1982)

Underpayment of Estimated Income Tax by Individuals.

Used to see if any of the exceptions to the penalty for underpayment of estimated tax are met and, if not, to figure the penalty.

IT-IRC sec. 6654; Regs. sec. 1.6654–1; Pub. 505

2220 (1982)

Underpayment of Estimated Tax by Corporations.

Used by a corporation to determine whether it paid enough estimated tax, whether it is subject to the penalty for underpayment of estimated tax, and how much penalty it may owe for any underpayment.

(If additional tax is due, a computation schedule is provided.)

IT-IRC sec. 6655; Regs. sec. 1.6655–1(b)

2350 (1982)

Application for Extension of Time to File U.S. Income Tax Return.

Used by U.S. citizens and U.S. resident aliens abroad who expect to qualify for special tax treatment to obtain an extension of time for filing an income tax return.

IT-IRC sec. 911; Pub. 54

2440 (1982)

Disability Income Exclusion.

Used to compute amount of disability income exclusion.

IT-IRC sec. 105; Instructions for Form 1040; Pubs. 17 and 522

2441 (1982)

Credit for Child and Dependent Care Expenses.

Used to support credit for child and dependent care expenses. (To be attached to Form 1040.)

IT-IRC sec. 214; Regs. sec. 1.214–1; Inst. for Form 1040; Pubs. 17 and 503

2555 (1982)

Foreign Earned Income.

Used by U.S. citizens and U.S. resident aliens who qualify for the foreign earned income exclusion or the housing exclusion or deduction.

IT-IRC sec. 911; Pub. 54; Separate instructions

2688 (1982)

Application for Extension of Time to File U.S. Individual Income Tax Return.

Used to apply for an additional extension of time to file Form 1040.

IT-IRC sec. 6081; Regs. sec. 1.6081–1 (b)

2758 (Rev. 10–82)

Application for Extension of Time to File U.S. Partnership, Fiduciary, and Certain Exempt Organization Returns.

Used to apply for an extension of time to file Form 1065, Form 1041, and certain exempt organization returns.

IT-IRC sec. 6081; Regs. sec. 1.6081–1 (b)

2848 (Rev. 10–82)

Power of Attorney and Declaration of Representative.

Used as an authorization for one person to act for another in any tax matter (except alcohol and tobacco taxes and firearms activities).

IT-Title 26, CFR, Part 601; Separate instructions

3468 (1982)

Computation of Investment Credit.

Used by individuals, estates, trusts, and corporations claiming a regular or energy investment credit. Also used to compute business energy investment credit.

IT-IRC secs. 38, 46, 47, and 48; Separate instructions

3903 (1982)

Moving Expense Adjustment.

For optional use to support deductions from income for expenses of travel, transportation (including meals and lodging) and certain expenses attributable to disposition of an old residence and acquisition of a new residence for employees moving to a new job location.

IT-IRC sec. 217; Regs. sec. 1.217; Pub 521

4136 (1982)

Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil.

Used by individuals, estates, trusts, or corporations, including small business corporations and domestic international sales corporations, to claim credit for Federal excise tax on the number of gallons of gasoline, special fuels, and lubricating oil used in business.

Ex-IRC secs. 39, 4041, 4081, 6420, 6421, 6424, and 6427

4137 (1982)

Computation of Social Security Tax on Unreported Tip Income.

Filed by an employee who received tips subject to FICA tax but failed to report them to his or her employer.

Emp.-IRC sec. 3102; Regs. secs. 31.3102–3(d), 31.6011(a)–1(d)

4255 (Rev. 11–82 expected revision date)

Recapture of Investment Credit.

Used by individuals, estates, trusts, or corporations to recapture the regular or energy investment credit taken on property disposed of before the end of the useful life used in computing the credit. The tax must be increased if the credit allowed is more than the credit allowable at the time of disposition.

IT-IRC sec. 47; Regs. sec. 1.47–4(a)(1), 1.47–5(a)(1) and 1.47–6(a)(1)

4466 (1982)

Corporation Application for Quick Refund of Overpayment of Estimated Tax.

Used to apply for a "quick" refund of overpaid estimated tax. (Must be filed before the regular tax return is filed.)

IT-IRC sec. 6425; Regs. sec. 1.6425–1(b)

4562 (Rev. 9–82)

Depreciation and Amortization.

For use by individuals, estates and trusts, partnerships, and corporations claiming depreciation or amortization.

IT-IRC secs. 167, 168, 169, 174, 177, 179, 185, 188, 189, 191 (as before repeal by Public Law 97–34), 194, 195, 248, and 709

4625 (1982)

Computation of Minimum Tax—Individuals.

Used by individuals who have items of tax preference in excess of $10,000, or minimum tax liability deferred to the current year.

IT-IRC secs. 56, 57, and 58

4626 (1982)

Computation of Minimum Tax—Corporations and Fiduciaries.

Used generally by corporations and fiduciaries to compute minimum tax when tax preferences are more than $10,000.

IT-IRC secs. 56, 57, and 58

4684 (1982)

Casualties and Thefts.

For use by all taxpayers for reporting gains and losses from casualties and thefts.

IT-IRC secs. 165 and 1231

4782 (Rev. 11–82)

Employee Moving Expense Information.

Used by employers to show employees the amount of any reimbursement or payment made to an employee, a third party for the employee's benefit, or the value of services furnished in-kind, for moving expenses during the calendar year.

IT-IRC secs. 82 and 217; Regs. sec. 31.6051–1(e)

4797 (1982)

Supplemental Schedule of Gains and Losses.

Used to report details of gain (or loss) from sales, exchanges, or involuntary conversions (other than casualties and thefts) of noncapital assets and involuntary conversions of capital assets other than casualties and thefts held for more than one year.

IT-IRC secs. 1231, 1245, 1250, 1251, 1252, 1254, and 1255; Separate instructions

4798 (1982)

Capital Loss Carryover.

Used by an individual to figure the capital loss limitation if pre-1970 losses are involved, and any capital loss carryover from the current taxable year to the following taxable year.

IT-IRC secs. 1211 and 1212

4835 (1982)

Farm Rental Income and Expenses and Summary of Gross Income From Farming or Fishing.

Used by landowner (or sublessor) to report farm rental income based on crops or livestock produced by the tenant where the landowner (or sublessor) does not materially participate in the operation or management of the farm.

IT-IRC sec. 61

4868 (1982)

Application for Automatic Extension of Time to File U.S. Individual Income Tax Return.

Used to apply for an automatic 4-month extension of time to file Form 1040.

IT-IRC sec. 6081; Regs. sec. 1.6081–4

4952 (1982)

Investment Interest Expense Deduction.

Used by an individual, estate, or trust to compute the deduction limitation for interest expense on funds borrowed to purchase or carry property held for investment.

IT-IRC sec. 163(d)

4970 (1982)

Tax on Accumulation Distribution of Trusts.

For use by a beneficiary of a domestic or foreign trust to compute the tax attributable to an accumulation distribution.

IT-IRC sec. 667

4972 (1982)

Special 10-Year Averaging Method.

Used to determine the income tax on the ordinary income portion of lump-sum distributions.

IT-IRC sec. 402(e); Separate instructions

5329 (1982)

Return for Individual Retirement Arrangement Taxes.

Used to report the various individual retirement arrangement taxes under IRC sections 408(f), 409(c), 4973, and 4974.

5330 (Rev. 12–81)

Return of Initial Excise Taxes Related to Pension and Profit Sharing Plans.

Used to report excise taxes imposed by IRC sections 4971, 4972, 4973(a)(2) and 4975.

5500 (1982)

Annual Return/Report of Employee Benefit Plan.

Used to report on deferred compensation plans and welfare plans that have at least 100 participants.

IT-IRC sec. 6058(a); ERISA section 103

Sch. A (Form 5500) (1982)

Insurance Information.

Used as an attachment to Forms 5500, 5500–C, or 5500–K to report information about insurance contracts that are part of a qualified deferred compensation plan.

IT-ERISA section 103(e)

Sch. B (Form 5500) (1982)

Actuarial Information.

Used to report actuarial information with respect to a defined benefit plan. It is attached to Form 5500, 5500–C, or 5500–K.

IT-IRC sec. 6059; ERISA sec. 103(a)

Sch. P. (Form 5500) (1982)

Annual Return of Fiduciary of Employee Benefit Trust.

Used as an attachment to Forms 5500, 5500–C, 5500–K, and 5500–R to satisfy reporting requirements under IRC section 6033(a) and start statute of limitations under IRC section 6501(a).

IT-IRC secs. 6033(a) and 6501(a)

Sch. SSA (Form 5500) (1982)

Registration Statement Identifying Separated Participants with Deferred Vested Benefits.

Used as an attachment to Form 5500, 5500–C, or 5500–K to list the employees who separated from employment and have a deferred vested benefit in the employer's plan of deferred compensation.

IT-IRC sec. 6057

5500–C (1982)

Return/Report of Employee Benefit Plan.

Used to report on deferred compensation plans and welfare plans that have fewer than 100 participants, none of whom is an owner-employee.

IT-IRC sec. 6058(a); ERISA sec. 103

5500–K (1982)

Return/Report of Employee Pension Benefit Plan for Sole Proprietorships and Partnerships.

Used to report on H.R. 10 (Keogh) plans that have fewer than 100 participants and at least one owner-employee participant.

IT-IRC sec. 6058(a); ERISA sec. 103

5500–R (1982)

Registration Statement of Employee Benefit Plan.

Used to report on deferred compensation plans and welfare plans that have fewer than 100 participants. This form is filed for plan years when Form 5500–C or 5500–K is not required to be filed.

IT-IRC sec. 6058(a); ERISA sec. 103

5544 (1982)

Multiple Recipient Special 10-Year Averaging Method.

Used to determine income tax on the ordinary income portion of lump-sum distributions received by a multiple recipient.

IT-IRC sec. 402(e); Separate instructions

5558 (Rev. 10–82)

Application for Extension of Time to File Certain Employee Plan Returns.

Used to request an extension of time to file Forms 5500, 5500–C, 5500–K, 5500–G, 5500–R, and 5330.

IT-IRC sec. 6081(a)

5695 (1982)

Residential Energy Credit.

Used by individual taxpayers to claim a credit against their tax for qualified energy-saving property.

IT-IRC sec. 44C

5884 (1982)

Jobs Credit (and WIN credit carryover).

Used by individuals, estates, trusts, and corporations claiming a Targeted Jobs Credit or WIN credit carryover, and any small business corporation, partnership, estate, or trust which apportions the credit among its shareholders, partners, or beneficiaries.

IT-IRC secs. 44B, 51, 52, and 53

6251 (1982)

Alternative Minimum Tax Computation.

Used by individuals, estates, and trusts to report tax preference items for capital gains and adjusted itemized deductions and to compute their alternative minimum tax liability.

IT-IRC secs. 55 and 57

6252 (1982)

Computation of Installment Sale Income.

Used by taxpayers other than dealers, who sell real or personal property, and receive any payment from the sale in a tax year after the year of sale.

IT-IRC sec. 453; Pub. 537

6765 (1982)

Credit for Increasing Research Activities.

Used by individuals, estates, trusts, and corporations to claim a credit for increasing research activities for a trade or business.

IT-IRC sec. 44F; Pub. 906

6781 (1982)

Gains and Losses from Commodity Futures Contracts and Straddle Positions.

Used by all taxpayers that held commodity futures contracts or straddle positions during the tax year.

IT-IRC secs. 1092 and 1256

7004 (Rev. 10–82)

Application for Automatic Extension of Time to File Corporation Income Tax Return.

Used by corporations and certain exempt organizations to request an automatic extension of 3 months to file the corporate income tax return.

IT-IRC sec. 6081(b); Regs. sec. 1.6081–3

7005 (Rev. 12–82)

Application for Additional Extension of Time to File Corporation Income Tax Return.

Used only by corporations and certain exempt organizations that have previously been granted an automatic 3-month extension on Form 7004 and are now requesting an additional extension.

IT-IRC sec. 6081(a)

Treasury Department Form 90–22.1 (9–78)

Report of Foreign Bank and Financial Accounts.

Filed by any individual, trust, partnership, or corporation that has a financial interest in, or signature authority or other authority over, bank, securities, or other financial accounts in a foreign country, that exceeded $1,000 in aggregate value at any time during the calendar year.

P.L. 91–508; Treasury Regs. (31 CFR 103)

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